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FINAL
CITY COUNCIL
CITY OF WICHITA
KANSAS

City Council Meeting
09:30 a.m. November 26, 2013

First Floor Board Room
455 North Main

OPENING OF REGULAR MEETING

- Call to Order
- Approve the minutes of the regular meeting on November 19, 2013

II. CONSENT AGENDAS (ITEMS 1 THROUGH 23)

NOTICE: Items listed under the "Consent Agendas" will be enacted by one motion with no separate discussion. If discussion on an item is desired, the item will be removed from the "Consent Agendas" and considered separately

(The Council will be considering the City Council Consent Agenda as well as the Planning, Housing, and Airport Consent Agendas. Please see "ATTACHMENT 1 – CONSENT AGENDA ITEMS" for a listing of all Consent Agenda Items.)

COUNCIL AGENDA

VIII. COUNCIL MEMBER AGENDA

None

IX. COUNCIL MEMBER APPOINTMENTS

1. Board Appointments.

RECOMMENDED ACTION: Approve the Appointments.

Adjournment

Workshop to follow

(ATTACHMENT 1 – CONSENT AGENDA ITEMS 1 THROUGH 23)

II. CITY COUNCIL CONSENT AGENDA ITEMS

1. Report of Board of Bids and Contracts dated November 25, 2013.

RECOMMENDED ACTION: Receive and file report; approve Contracts;
authorize necessary signatures.

2. Applications for Licenses to Retail Cereal Malt Beverages:

<u>Renewal</u>	<u>2013</u>	<u>(Consumption on Premises)</u>
Erica Torres	El Rancho**	2801 North Broadway

**General/Restaurant (need 50% or more gross revenue from sale of food)

RECOMMENDED ACTION: Approve licenses subject to Staff review and approval.

3. Preliminary Estimates:

RECOMMENDED ACTION: Receive and file.

4. Petitions for Public Improvements:

- a. Improvements to Serve Stonebridge Second and Third Additions. (District II)

RECOMMENDED ACTION: Approve Petitions; adopt resolutions.

5. Deeds and Easements:

- a. Deeds and Easements.

RECOMMENDED ACTION: Accept documents.

6. Consideration of Street Closures/Uses.

- Community Events - Ballet Wichita Nutcracker Performances. (District I)
- Community Events - Our Lady of Guadalupe Fiesta. (District VI)
- Community Events - Arthritis Foundation Jingle Bell Run/Walk. (District VI)
- Community Events - 2014 Frosty 5K. (District VI)
- Community Events - Wichita St. Patrick's 5K Run/Walk. (District VI)
- Community Events – Mayor's Tree Lighting Ceremony. (Districts I, IV and VI)

RECOMMENDED ACTION: Approve the request subject to; (1) Hiring off-duty certified law enforcement officers as required; (2) Obtaining barricades to close the streets in accordance with requirements of Police, Fire and Public Works Department; and (3) Securing a Certificate of Liability Insurance on file with the Community Events Coordinator.

7. Agreements/Contracts:

- a. Revised Contract with Green Group Holding, LLC for Landfill Operations.
- b. Wholesale Water Assignment Agreement - Rural Water District No. 8 to Rural Water District No. 5.

RECOMMENDED ACTION: Approve Agreements/Contracts; authorize the necessary signatures.

8. Minutes of Advisory Boards/Commissions

Design Council, September 18, 2013
Wichita Public Library, October 15, 2013
Board of Electrical Appeals, October 8, 2013
Historic Preservation Board, October 14, 2013

RECOMMENDED ACTION: Receive and file.

9. Repair or Removal of Dangerous and Unsafe Structures. (Districts I, III, and IV)

<u>Property Address</u>	<u>Council District</u>
a. 312 W. 19th St. N.	VI
b. 1104 N. Madison	I
c. 1514 S. Mosley	III
d. 3140 S. Yale	III

RECOMMENDED ACTION: Adopt the attached resolutions to schedule public hearings before the City Council on January 7, 2013 at 09:30 a.m. or as soon as possible thereafter, to consider condemnation of structures deemed dangerous and unsafe per Kansas State Statutes and local ordinances.

10. Report on Claims for October, 2013.

RECOMMENDED ACTION: Receive and file.

11. Payment for Settlement of Lawsuit - Estate of Jerome Dixon, Lakeda Dixon, et al. v. City of Wichita.

RECOMMENDED ACTION: Authorize payment of \$45,000 as full settlement of all possible claims arising out of the events which are the subject of this claim and adopt the resolution.

12. Payment for Settlement of Claim.

RECOMMENDED ACTION: Authorize payment of \$19,500 as full settlement of all possible claims arising out of the events which are the subject of this claim *and adopt the resolution.*

13. Selection of Vendor for the Computer Hardware.

RECOMMENDED ACTION: Approve the contracts and authorize the necessary signatures.

14. Pooled Funds Investment Policy.

RECOMMENDED ACTION: Approve the City of Wichita Pooled Funds Investment Policy.

15. Second Reading Ordinances: (First Read November 19, 2013)

RECOMMENDED ACTION: Adopt the Ordinances.

II. CONSENT PLANNING AGENDA ITEMS

NOTICE: Public hearing on planning items is conducted by the MAPC under provisions of State law. Adopted policy is that additional hearing on zoning applications will not be conducted by the City Council unless a statement alleging (1) unfair hearing before the MAPC, or (2) alleging new facts or evidence has been filed with the City Clerk by 5p.m. on the Wednesday preceding this meeting. The Council will determine from the written statement whether to return the matter to the MAPC for rehearing.

16. *VAC2013-00026 - Request to vacate a portion of a sewer easement dedicated by separate instrument on property generally located east of the Little Arkansas River, east of Somerset Avenue, on the south side of 23rd Street North. (District VI)

RECOMMENDED ACTION: Approve the Vacation Order and authorize the necessary signatures.

17. *VAC2013-00027 - Request to vacate a portion of a platted street right-of-way on property generally located on the southeast corner of Hoover Road and 21st Street North. (District VI)

RECOMMENDED ACTION: Approve the Vacation Order and authorize the necessary signatures.

18. *VAC2013-00031 - Request to vacate a portion of a platted drainage easement on property generally located on the east side of Maize Road and south of 21 Street North. (District V)

RECOMMENDED ACTION: Approve the Vacation Order and authorize the necessary signatures.

19. *VAC2013-00037 - Request to vacate a portion of a platted access easement for tenants, fire lane and drainage ditch maintenance on property generally located west of Interstate Highway-235, south of MacArthur Road, on the west side of Gold Street. (District IV)

RECOMMENDED ACTION: Approve the Vacation Order and authorize the necessary signatures.

II. CONSENT HOUSING AGENDA ITEMS

NOTICE: The City Council is meeting as the governing body of the Housing Authority for consideration and action on the items on this Agenda, pursuant to State law, HUD, and City ordinance. The meeting of the Authority is deemed called to order at the start of this Agenda and adjourned at the conclusion.

Fern Griffith, Housing Member is also seated with the City Council.

20. *2014 Mainstream Funding Submission.

RECOMMENDED ACTION: Approve submission of the 2014 requisition for payment of annual contributions for the Section 8 Mainstream Program and authorize the necessary signatures.

II. CONSENT AIRPORT AGENDA ITEMS

NOTICE: The City Council is meeting as the governing body of the Airport Authority for consideration and action on items on this Agenda, pursuant to State law and City ordinance. The meeting of the Authority is deemed called to order at the start of this Agenda and adjourned at the conclusion.

21. *Safety, Security, and Communication Projects Budget Adjustment - Wichita Mid-Continent Airport.

RECOMMENDED ACTION: Approve the budget adjustments.

22. *Skyway Land Acquisition - Wichita Mid-Continent Airport.

RECOMMENDED ACTION: Approve the budget.

23. *LeaseCorp Aviation, LLC - Commercial Hangar Operator Use and Lease Agreement - Use of Land at 1410 S. Airport Road, Wichita Mid-Continent Airport.

RECOMMENDED ACTION: Approve the agreement and authorize the necessary signatures.

Wichita, Kansas
November 25, 2013
10:00 a.m., Monday
Conference Room, 12th Floor

MINUTES - BOARD OF BIDS AND CONTRACTS*

The Board of Bids and Contracts met with Martha Strayer, Administrative Assistant, Public Works Engineering in the Chair; Steve Coberley, Senior Accountant, Finance, representing the Director of Finance, Elizabeth Gotry Wadel, Budget Analyst, Budget Office, Clarence Rose, Senior Buyer, representing Purchasing, Eoghan Miller, Management Fellow, representing the City Manager's Office, and Karen Sublett, City Clerk, present.

Minutes of the regular meeting dated November 18, 2013 were read and on motion approved.

Bids were opened November 22, 2013, pursuant to advertisements published on:

2013 SS Recon Phase 11; (north of Maple, east of West Street) 468-84911 (620649)

Dondlinger & Sons - \$219,774.00

The Purchasing Manager recommended that the contract be awarded as outlined above, subject to check, same being the lowest and best bid within the Engineer's construction estimate.

On motion the Board recommended that the contracts be awarded as outlined above, subject to check, same being the lowest and best bid within the Engineer's construction estimate.

**WICHITA-SEDGWICK COUNTY METROPOLITAN AREA PLANNING DEPARTMENT:
Roof Restoration Fresh Air Baby Camp.**

Defer one week

**PUBLIC WORKS & UTILITIES DEPT/ FLEET & FACILITIES DIVISION: Slip-In Pump
and Tank Units.**

Defer one week

**PUBLIC WORKS & UTILITIES DEPT/ FLEET & FACILITIES DIVISION: Fork Lift 7,000
lbs Lifting Capacity.**

Defer one week

PUBLIC WORKS & UTILITIES DEPT/SEWAGE TREATMENT DIVISION: 115 HP PTO Rubber Tire 4x4 Tractor.

Straub International Inc – \$56,400.00 Base Bid
\$1,000.00 Option 1
\$1,436.00 Option 3

PUBLIC WORKS & UTILITIES DEPT/ENVIRONMENTAL SERVICES DIVISION: Compressor Replacement.

Defer one week

FIRE DEPARTMENT/TRAINING DIVISION: Hazardous Materials Rescue Team Physical.

Defer one week

PUBLIC WORKS & UTILITIES DEPT/ PRODUCTION & PUMPING DIVISION: Pebble Quickline – Bulk Delivery.

US Lime Company St. Clair *\$1,040,270.00
*Estimate – Contract approved on unit cost basis; refer to attachments

PUBLIC WORKS & UTILITIES DEPT/WATER DISTRIBUTION DIVISION: Rubber Tired Tractor-Loader/Backhoes.

Defer one week

PUBLIC WORKS & UTILITIES DEPT/WATER DISTRIBUTION DIVISION: 40,000 GVWR Utility Trailer.

Kansas Underground Inc. - \$23,998.00 Base Bid
\$400.00 Option 1

PUBLIC WORKS & UTILITIES DEPT/WATER DISTRIBUTION DIVISION: Fire Hydrants.

Wichita Winwater Works Co. * \$72,965.00
*Estimate – Contract approved on unit costs basis; refer to attachments

WICHITA TRANSIT: Portable Column Lifts.

Central Marketing dba Central Equipment - \$29,399.94

PUBLIC WORKS & UTILITIES DEPT/FLEET & FACILITIES DIVISION: Thermal Imaging Camera.

Conrad Fire Equipment Inc. - \$165,000.00

The Purchasing Division recommended that the contracts be awarded/deferred as outlined above, same being the lowest and best bid.

On motion the Board of Bids recommended that the contracts be awarded/deferred as outlined above, same being the lowest and best bid.

On motion the Board of Bids adjourned.

Martha Strayer, Administrative Assistant,
Department of Public Works

Karen Sublett
City Clerk

**PRELIMINARY ESTIMATES
FOR CITY COUNCIL NOVEMBER 26, 2013**

- a. SWS #672 Repair at Harry Street between Hydraulic Avenue and Grove Street Phase II (E Harry Street and S Hydraulic Avenue) (468-84897/133117/133116/133117/133116) Local traffic shall be maintained. (District I) - \$20,000.00
- b. SWS #673 Repair at Lincoln Street between Hydraulic Avenue and Grove Street (E Lincoln Street and S Hydraulic Avenue) (468-84916/133117/133117) Local traffic shall be maintained. (District I) - \$50,000.00

**City of Wichita
City Council Meeting
November 26, 2013**

TO: Mayor and City Council

SUBJECT: Improvements to Serve Stonebridge Second and Third Additions (District II)

INITIATED BY: Department of Public Works & Utilities

AGENDA: Consent

Recommendations: Approve the revised petition and adopt the amending resolution.

Background: On February 14, 2006, the City Council approved a petition in the amount \$135,000 for sanitary sewer improvements to serve Stonebridge Addition.

The following revised petitions have been approved by the City Council to date:

Date Approved	Purpose of Revision	Amount
April 3, 2007	Increased the budget to ensure sufficient funding based on bid activity among similar projects.	\$165,000
May 1, 2007	Revised the improvement district to serve Stonebridge Second Addition and decreased the budget.	\$142,000
May 10, 2011	Revised the improvement district to serve a portion of Stonebridge Second and Third Additions to reflect a re-plat and decreased the budget.	\$135,000

The developer has submitted a fourth revised petition which reduces the improvement district and further decreases the budget.

Analysis: The project will provide sanitary sewer service required for a new residential development located north of 13th Street North, west of 159th Street East.

Financial Considerations: The total of the existing petition is \$135,000. The revised petition total is \$125,000. The funding source is special assessments.

Legal Considerations: The revised petition and amending resolution have been reviewed and approved as to form by the Law Department.

Recommendation/Actions: It is recommended that the City Council approve the revised petition, adopt the amending resolution, and authorize the necessary signatures.

Attachments: Map, budget sheet, revised petition, amending resolution.

First Published in the Wichita Eagle on December 2, 2013

RESOLUTION NO. 13-215

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING CONSTRUCTION OF **LATERAL 3, MAIN 19, FOUR MILE CREEK SEWER (NORTH OF 13TH, WEST OF 159TH ST. EAST) 468-84148** IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF CONSTRUCTING AND RESOLUTION AUTHORIZING CONSTRUCTION OF **LATERAL 3, MAIN 19, FOUR MILE CREEK SEWER (NORTH OF 13TH, WEST OF 159TH ST. EAST) 468-84148** IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO- WIT:

SECTION 1. That Resolution No. **06-072** adopted on **February 14, 2006**, Resolution No. **07-219** adopted on **April 3, 2007**, Resolution No. **07-286** adopted on **May 1, 2007** and Resolution No. **11-113** adopted on **May 10, 2011** are hereby rescinded.

SECTION 2. That it is necessary and in the public interest to construct **Lateral 3, Main 19, Four Mile Creek Sewer (north of 13th, west of 159th St. East) 468-84148**.

Said sanitary sewer shall be constructed of the material in accordance with plans and specifications provided by the City Engineer.

SECTION 3. That the cost of said improvements provided for hereof is estimated to be **One Hundred Twenty-Five Thousand Dollars (\$125,000)**, exclusive of the cost of interest on borrowed money, with **100** percent payable by the improvement district. Said estimated cost as above set forth is hereby increased at the pro-rata rate of 1 percent per month from and after **May 1, 2011** exclusive of the costs of temporary financing.

SECTION 4. That all costs of said improvements attributable to the improvement district, when ascertained, shall be assessed against the land lying within the improvement district described as follows:

STONEBRIDGE 2ND ADDITION

Lots 8 through 16, Block B

STONEBRIDGE 3RD ADDITION

Lots 17 through 26, Block A

SECTION 5. That the method of apportioning all costs of said improvements attributable to the owners of land liable for assessment shall be on a **fractional** basis.

The fractional shares provided for herein have been determined on the basis of equal shares being assessed to lots or parcels of substantially comparable size and/or value: Lots 8 through 16, Block B, STONEBRIDGE 2ND ADDITION, shall each pay 1/19 of the total cost of the improvements, and Lots 17 through 26, Block A, STONEBRIDGE 3RD ADDITION, shall each pay 1/19 of the total cost of the improvements.

In the event all or part of the lots or parcels in the improvement district are replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on the basis of the method of assessment set forth herein. Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

SECTION 6. That payment of said assessments may indefinitely be deferred as against those property owners eligible for such deferral available through the Special Assessment Deferral Program.

SECTION 7. That the City Engineer shall prepare plans and specifications for said improvement and a preliminary estimate of cost therefore, which plans, specifications, and a preliminary estimate of cost shall be presented to this Body for its approval.

SECTION 8. Whereas, the Governing Body of the City, upon examination thereof, considered, found and determined the Petition to be sufficient, having been signed by the owners of record, whether resident or not, of more than Fifty Percent (50%) of the property liable for assessment for the costs of the improvement requested thereby; the advisability of the improvements set forth above is hereby established as authorized by K.S.A. 12-6a01 et seq. as amended and K.S.A. 12-693.

SECTION 9. Be it further resolved that the above described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 10. That the City Clerk shall make proper publication of this resolution, which shall be published once in the official City paper and which shall be effective from and after said publication.

PASSED by the governing body of the City of Wichita, Kansas, this 26th day of November, 2013.

CARL BREWER, MAYOR

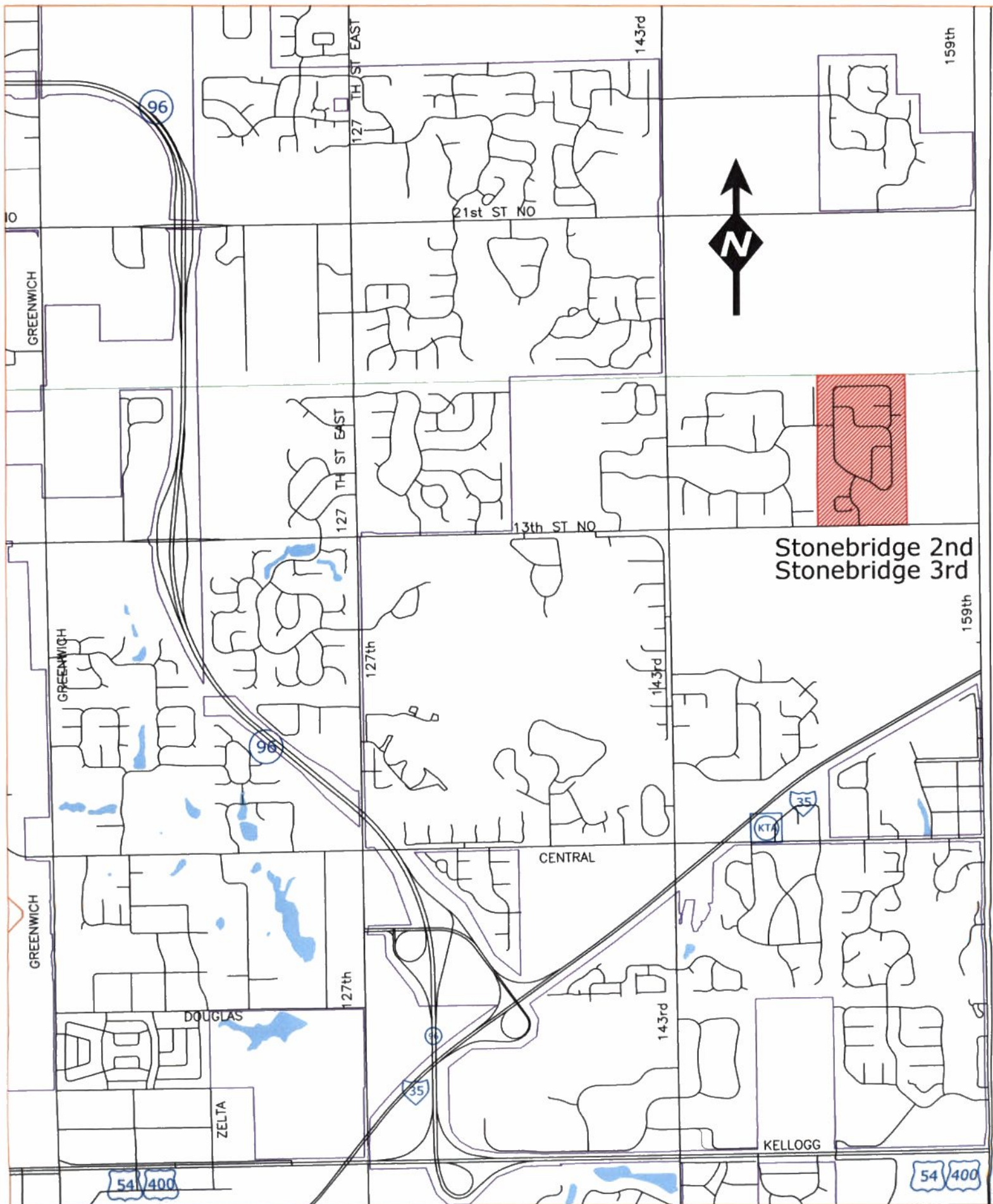
ATTEST:

KAREN SUBLETT, CITY CLERK

(SEAL)

APPRVED AS TO FORM:

GARY E REBENSTORF
DIRECTOR OF LAW



Project Request

☐ CIP ☒ Non-CIP

☒ NEIGHBORHOOD IMPROVEMENT

☐ ORDERED BY WCC

☒ PETITION

PETITION PERCENTAGE: 100

DEPARTMENT: 13 Public Works & Utilities

DIVISION: Engineering

RESOLUTION/ORDINANCE #: 13-

FUND: 480 Sewer Improvements N.I.

SUBFUND: 480 Sanitary Sewers N.I.

ENGINEERING REFERENCE #: 468-84148

COUNCIL DISTRICT: 02 Council District 2

DATE COUNCIL APPROVED: Nov 26, 2013

REQUEST DATE:

PROJECT #:

PROJECT TITLE: Lat 3 M 19 FMC for Stonebridge 2nd & 3rd Additions

PROJECT DETAIL #: 01

PROJECT DETAIL DESCRIPTION: Lat 3 M 19 FMC for Stonebridge 2nd & 3rd Additions

OCA #:

OCA TITLE: Lat 3 M 19 FMC for Stonebridge 2nd & 3rd Additions

PERSON COMPLETING FORM: Joni Chamberlain

PHONE #: 268-4548

PROJECT MANAGER: Julianne Kallman

PHONE #: 268-4236

☒ NEW BUDGET ☐ REVISED BUDGET

REVENUE

Object Level 3	Budget
9730 S.A. Bonds	\$125,000.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00

REVENUE TOTAL: \$125,000.00

EXPENSE

Object Level 3	Budget
2999 Contractuals	\$125,000.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00

EXPENSE TOTAL: \$125,000.00

NOTES: HOLD FOR LOC

SIGNATURES REQUIRED

DIVISION HEAD:

DEPARTMENT HEAD:

BUDGET OFFICER:

CITY MANAGER:

Print Form

DATE: 11/06/13

DATE: 11/7/13

DATE: 11/8/13

DATE:

RECEIVED

OCT 28 '13

CLERK OFFICE 2ND REVISED CLERK OFFICE

Project No. 468-84148
Lat. 3, Main 19, FMC

SANITARY SEWER PETITION
(PHASE 3)

Lateral 3, Main 19, FMC

To the Mayor and City Council
Wichita, Kansas

Dear Council Members:

1. We, the undersigned owners of record as below designated, of Lots, Parcels, and Tracts of real property described as follows:

STONEBRIDGE 2ND ADDITION
Lots 8 through 16, Block B

STONEBRIDGE 3RD ADDITION
Lots 17 through 26, Block A

do hereby petition pursuant to the provisions of K.S.A. 12-6a01 et seq., as follows:

- (a) That there be constructed a lateral sanitary sewer to serve the area described above, according to plans and specifications to be furnished by the City Engineer of the City of Wichita, Kansas.
- (b) That the estimated and probable cost of the improvements is One Hundred Twenty-Five Thousand Dollars (\$125,000.00) exclusive of the cost of interest on borrowed money, with 100 percent payable by the improvement district. Said estimated cost as above set forth may be increased to include temporary interest or finance costs incurred during the course of design and construction of the project, and also may be increased at the pro rata rate of one percent per month from and after May 1, 2011.
- (c) That the land or area above described be constituted as an improvement district against which shall be assessed 100 percent of the total actual cost of the improvements for which the improvement district is liable.

If this improvement is abandoned, altered and/or constructed privately in part or whole that precludes building this improvement under the authority of this petition, any costs that the City of Wichita incurs shall be assessed to the property described above in accordance with the terms of the petition. In addition, if the improvement is abandoned at any state during the design and/or construction of the improvement or if it is necessary for the City of Wichita to redesign, repair or reconstruct the improvement after its initial design and/or construction because the design or construction does not meet the requirements of the City, then such costs

associated with the redesign, repair or reconstruction of said improvement shall be assessed to the property described above in accordance with the terms of this petition.

- (d) That the method of assessment of all costs of the improvements for which the improvement district is liable shall be on a fractional basis.

The fractional shares provided for herein have been determined on the basis of equal shares being assessed to lots or parcels of substantially comparable size and/or value: Lots 8 through 16, Block B, STONEBRIDGE 2ND ADDITION shall each pay 1/19 of the total cost of the improvements, and Lots 17 through 26, Block A, STONEBRIDGE 3RD ADDITION shall each pay 1/19 of the total cost of the improvements.

In the event all or part of the lots or parcels in the improvement district are replatted before assessments have been levied, the assessments against the replatted area shall be recalculated on the basis of the method of assessment set forth herein. Where the ownership of a single lot is or may be divided into two or more parcels, the assessment to the lot so divided shall be assessed to each ownership or parcel on a square foot basis.

- 2. (a) It is requested that the improvement hereby petitioned be made without notice and hearing, which, but for this request, would be required by K.S.A. 12-6a04. This petition may be combined with other petitions of similar nature to form one public improvement project.
- (b) Signatures on this petition are made with full knowledge and understanding that said signatures constitute a waiver of the limitations contained in K.S.A. 13-1013, which appear to limit the assessment for a lateral sewer to not more than one lateral sewer.

3. That names may not be withdrawn from this petition by the signers thereof after the Governing Body commences consideration of the petition or later than seven (7) days after filing, whichever occurs first.

4. That when this petition has been filed with the City Clerk and it has been certified that the signatures thereon are according to the records of the Register of Deeds of Sedgwick County, Kansas, the petition may be found sufficient if signed by either (1) a majority of the resident owners of record of property liable for assessment under the proposal, or (2) the resident owners of record of more than one-half of the area liable for assessment under the proposal, or (3) the owners of record (whether resident or not) of more than one-half of the area liable for assessment under the proposal. The Governing Body is requested to proceed in the manner provided by statute to the end that the petitioned improvements may be expeditiously completed and placed in use if and when such improvements are necessary to serve any building that may be constructed on the real property after the date on this petition.

WITNESS our signatures attached with respect to each of which is indicated the property owned and the date of signing.

LEGAL DESCRIPTION

SIGNATURE

DATE

STONEBRIDGE 2ND ADDITION

Lots 8 through 16, Block B

STONEBRIDGE 3RD ADDITION

Lots 17 through 26, Block A

FLKS Land Development, LLC

By: _____

Steven R. Barrett, Member 10/25/13

AFFIDAVIT

The undersigned, being first duly sworn on his oath, states: That he circulated the attached petition and the signatures thereon are the genuine signatures of the persons they support to be to the best of his knowledge and belief, being signed either in the presence of the undersigned or in the resident owners whose signatures appears on the petition.

Judy Jerkune
Name

Baughman Company, P.A.
315 Ellis, Wichita, KS 67211
Address

262-7271
Telephone No.

Sworn to and subscribed before me this 28 day of Oct.
2013.



Karen Sweet
Deputy City Clerk

STONEBRIDGE 2ND ADDITION**STONEBRIDGE 3RD ADDITION**

Wichita, Sedgwick County, Kansas

SANITARY SEWER IMPROVEMENTS - PHASE 3**Benefit District: (19 Lots)****Stonebridge 2nd Addition**

Lots 8 through 16, Block B

Stonebridge 3rd Addition

Lots 17 through 26, Block A

Cost Estimate:

Item	Quantity	Unit	Unit Price	Amount
8" Pipe	1650	L.F.	\$24.00	\$39,600.00
Manhole	5	EA.	\$2,600.00	\$13,000.00
Risers	14	EA.	\$1,200.00	\$16,800.00
Sand Backfill	750	L.F.	\$12.00	\$9,000.00
Erosion Control/Seeding	1	L.S.	\$4,000.00	\$4,000.00
Site Clearing & Restoration	1	L.S.	\$10,000.00	\$10,000.00
Subtotal				\$92,400.00
+ 35% Design, Insp., & Administration				\$32,340.00
Total				\$124,740.00

Petition Amount**\$125,000****Average Cost per Lot****\$4,808****Average Monthly Assessment****\$36 (Based on 15 years @ 4%)****\$29 (Based on 20 years @ 4%)**

DEEDS AND EASEMENTS – NOVEMBER 26, 2013

- a. Storm Water Drainage and Detention Basin Improvements Easement dated November 11, 2013 from Firethorne Owners Association for a pond lying within Reserve E, Woods North 3rd Addition, an addition to Wichita, Sedgwick County, Kansas, (OCA #751514) No cost to City.

City of Wichita
City Council Meeting
November 26, 2013

TO: Mayor and City Council

SUBJECT: Community Events – Ballet Wichita Nutcracker Performances (District I)

INITIATED BY: Division of Arts & Cultural Services

AGENDA: Consent

Recommendation: Approve the request for temporary street closure.

Background: In accordance with the Community Events procedure, the event promoter Barbara Chamberlin, Ballet Wichita is coordinating the bus parking for the Nutcracker Ballet with City of Wichita staff, subject to final approval by the City Council.

Analysis: The following street closure request has been submitted:

Ballet Wichita Nutcracker Performances December 12-13, 2013 9:00 am – 3:00 am

- Century II Drive, Main Street to Douglas Avenue
- Century II Drive, Main Street to Cancun Street
- Cancun Street, Century II Drive to English Street

The promoter will arrange to remove the barricades as necessary to allow emergency vehicle access during the entire designated time period. The barricades will be removed immediately upon completion of the event.

Financial Consideration: The event promoter is responsible for all costs associated with the special event.

Legal Consideration: There are no legal considerations.

Recommendation/Actions: It is recommended that the City Council approve the request subject to; 1) Hiring of off-duty certified law enforcement officers as required; 2) Obtaining barricades to close the streets in accordance with requirements of the Police, Fire and Public Works and Utilities Departments.

City of Wichita
City Council Meeting
November 26, 2013

TO: Mayor and City Council

SUBJECT: Community Events – Our Lady of Guadalupe Fiesta (District VI)

INITIATED BY: Division of Arts & Cultural Services

AGENDA: Consent

Recommendation: Approve the request for temporary street closures.

Background: In accordance with the Community Events procedure, the event promoter Father Jose Machado, Our Lady of Perpetual Help is coordinating the Our Lady of Guadalupe Fiesta with City of Wichita staff, subject to final approval by the City Council.

Analysis: The following street closure request has been submitted:

Our Lady of Guadalupe Fiesta December 7-11, 2013 9:00 am – 10:00 pm

- 23rd Street, Market Street to Park Place

Our Lady of Guadalupe Fiesta December 12, 2013 6:00 am – 10:00 pm

- 23rd Street, Market Street to Park Place

The promoter will arrange to remove the barricades as necessary to allow emergency vehicle access during the entire designated time period. The barricades will be removed immediately upon completion of the event.

Financial Consideration: The event promoter is responsible for all costs associated with the special event.

Legal Consideration: There are no legal considerations.

Recommendation/Actions: It is recommended that the City Council approve the request subject to; 1) Hiring of off-duty certified law enforcement officers as required; 2) Obtaining barricades to close the streets in accordance with requirements of the Police, Fire and Public Works and Utilities Departments; and 3) Securing Certificate of Liability Insurance on file with the Community Events Coordinator.

City of Wichita
City Council Meeting
November 26, 2013

TO: Mayor and City Council

SUBJECT: Community Events – Arthritis Foundation Jingle Bell Run/Walk (District VI)

INITIATED BY: Division of Arts & Cultural Services

AGENDA: Consent

Recommendation: Approve the request for temporary street closures.

Background: In accordance with the Community Events procedure, the event promoter Jenny Lester, Arthritis Foundation is coordinating the Arthritis Foundation Jingle Bell Run/Walk with City of Wichita staff, subject to final approval by the City Council.

Analysis: The following street closure request has been submitted:

Arthritis Foundation Jingle Bell Run/Walk December 7, 2013 9:00 am – 11:00 am

- McLean Boulevard, Second Street to Seneca Street – north bound lanes only
- Seneca Street, Central Avenue to McLean Boulevard

The promoter will arrange to remove the barricades as necessary to allow emergency vehicle access during the entire designated time period. The barricades will be removed immediately upon completion of the event.

Financial Consideration: The event promoter is responsible for all costs associated with the special event.

Legal Consideration: There are no legal considerations.

Recommendation/Actions: It is recommended that the City Council approve the request subject to; 1) Hiring of off-duty certified law enforcement officers as required; 2) Obtaining barricades to close the streets in accordance with requirements of the Police, Fire and Public Works and Utilities Departments; and 3) Securing Certificate of Liability Insurance on file with the Community Events Coordinator.

City of Wichita
City Council Meeting
November 26, 2013

TO: Mayor and City Council

SUBJECT: Community Events – 2014 Frosty 5K (District VI)

INITIATED BY: Division of Arts & Cultural Services

AGENDA: Consent

Recommendation: Approve the request for temporary street closures.

Background: In accordance with the Community Events procedure, the event promoter Brittani Poland, Downtown YMCA is coordinating the 2014 Frosty 5K with City of Wichita staff, subject to final approval by the City Council.

Analysis: The following street closure request has been submitted:

2014 Frosty 5K January 1, 2014 9:00 am – 12:00 pm

- Third Street, Broadway Avenue to Waco Avenue
- Waco Avenue, Third Street to First Street

The promoter will arrange to remove the barricades as necessary to allow emergency vehicle access during the entire designated time period. The barricades will be removed immediately upon completion of the event.

Financial Consideration: The event promoter is responsible for all costs associated with the special event.

Legal Consideration: There are no legal considerations.

Recommendation/Actions: It is recommended that the City Council approve the request subject to; 1) Hiring of off-duty certified law enforcement officers as required; 2) Obtaining barricades to close the streets in accordance with requirements of the Police, Fire and Public Works and Utilities Departments; and 3) Securing Certificate of Liability Insurance on file with the Community Events Coordinator.

City of Wichita
City Council Meeting
November 26, 2013

TO: Mayor and City Council

SUBJECT: Community Events – Wichita St. Patrick’s 5K Run/Walk (District VI)

INITIATED BY: Division of Arts & Cultural Services

AGENDA: Consent

Recommendation: Approve the request for temporary street closure.

Background: In accordance with the Community Events procedure, the event promoter Karen Fitzgerald, Wichita Caledonian Pipes & Drums Band is coordinating the Wichita St. Patrick’s 5K Run/Walk with City of Wichita staff, subject to final approval by the City Council.

Analysis: The following street closure request has been submitted:

Wichita St. Patrick’s 5K Run/Walk March 15, 2014, 8:00 am – 10:00 am

- Museum Boulevard, east entrance of Old Cowtown Museum to entrance of Sim Park.

The promoter will arrange to remove the barricades as necessary to allow emergency vehicle access during the entire designated time period. The barricades will be removed immediately upon completion of the event.

Financial Consideration: The event promoter is responsible for all costs associated with the special event.

Legal Consideration: There are no legal considerations.

Recommendation/Actions: It is recommended that the City Council approve the request subject to; 1) Hiring of off-duty certified law enforcement officers as required; 2) Obtaining barricades to close the streets in accordance with requirements of the Police, Fire and Public Works and Utilities Departments; and 3) Securing Certificate of Liability Insurance on file with the Community Events Coordinator.

**City of Wichita
City Council Meeting
November 26, 2013**

TO: Mayor and City Council

SUBJECT: Community Events – Mayor’s Tree Lighting Ceremony (Districts I, IV and VI)

INITIATED BY: Division of Arts & Cultural Services

AGENDA: Consent

Recommendation: Approve the request for temporary street closures.

Background: In accordance with the Community Events procedure the event promoter, Megan Buckmaster with the City Manager’s Office is coordinating the Mayor’s Tree Lighting Ceremony with City of Wichita staff, subject to final approval by the City Council.

Analysis: The following street closure request has been submitted:

Mayor’s Tree Lighting Ceremony December 3, 2013 5:15 pm – 7:00 pm

- Douglas Avenue, Main Street to McLean Boulevard
- Waco Street, Douglas Avenue to First Street
- First Street, west side of Waco Street
- Sycamore Street, Douglas Avenue to McLean Boulevard
- Century II Drive from Main St. to Douglas Avenue
- South Cancun Street, Century II Drive to west Tlalnepantla Drive
- North Civic Center Place, north side of Douglas Avenue
- Wichita Street, north side of Douglas Avenue
- Water Street, north side of Douglas Avenue

The event promoter will arrange to remove the barricades as necessary to allow emergency vehicle access during the entire designated time period. The barricades will be removed immediately upon completion of the event.

Financial Consideration: The event promoter is responsible for all costs associated with the special event.

Legal Consideration: There are no legal considerations.

Recommendation/Actions: It is recommended that the City Council approve the request subject to; (1) hiring off-duty certified law enforcement officers as required; and (2) Obtaining barricades to close the streets in accordance with requirements of Police, Fire and Public Works Department.

City of Wichita
City Council Meeting
November 26, 2013

TO: Mayor and City Council

SUBJECT: Revised Contract with Green Group Holdings, LLC for Landfill Operations

INITIATED BY: Department of Public Works & Utilities

AGENDA: Consent

Recommendation: Approve the contract and adopt the Tipping Fee Resolution.

Background: The City owns Brooks Construction & Demolition Landfill, which has been operated by Green Group Holdings, LLC since March 1, 2013. On August 13, 2013, as part of the budget process the City Council approved a resolution raising the tipping fee from \$32 to \$34 per ton. In order to implement the tipping fee increase, the contract for landfill operations must be updated to include the new rates, City-contractor rate split, and a prohibition of special agreements.

Analysis: The only changes from the original contract, dated February 12, 2013, are to increase the tipping fee to \$34 per ton, with the additional \$2 being remitted to the City, and the addition of a clause prohibiting the contractor from entering into special rate agreements with customers. The contract term remains unchanged, ending February 28, 2018, with the option of two renewals that would each span three years.

Financial Considerations: Increased revenues resulting from the contract amendment are estimated to be \$120,000 per year.

Legal Considerations: The contract and resolution have been approved as to form by the Law Department.

Recommendations/Actions: It is recommended that the City Council approve the contract with Green Group Holdings, LLC, adopt the Tipping Fee Resolution, and authorize the necessary signatures.

Attachments: Contract with Green Group Holdings, LLC and Tipping Fee Resolution

RESOLUTION NO. 13-222

RESOLUTION OF FINDINGS OF ADVISABILITY AND RESOLUTION AUTHORIZING INCREASING TIPPING FEES FOR CONSTRUCTION AND DEMOLITION WASTE DISPOSED AT BROOKS LANDFILL IN THE CITY OF WICHITA, KANSAS, PURSUANT TO FINDINGS OF ADVISABILITY MADE BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS.

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, THAT THE FOLLOWING FINDINGS AS TO THE ADVISABILITY OF INCREASING TIPPING FEES AT THE BROOKS LANDFILL IN THE CITY OF WICHITA, KANSAS, ARE HEREBY MADE TO WIT:

SECTION 1. That it is necessary and in the public interest to increase tipping fees for construction and demolition waste transported for disposal at Brooks Landfill. This resolution supersedes Resolution No. 12-152 037002 and all other resolutions.

SECTION 2. That the cost of said tipping fees provided for in Section 1 hereof shall be increased from Thirty-Two Dollars (\$32) per ton as approved by City Council action on August 21, 2012 to Thirty-Four Dollars (\$34) per ton. Said cost as above set forth is hereby increased as of December 1, 2013, exclusive of all other conditions and requirements.

SECTION 3. That all costs of said tipping fees, when ascertained, shall be assessed against the owner/operator of the privately owned hauled waste transporter that is transporting waste with the intention of disposing of said waste herewith at the Brooks Landfill facility.

SECTION 4. That the method of apportioning all tipping fees of said construction and demolition waste shall be distributed as follows:

Nineteen Dollars (\$19) per ton allocated to the City of Wichita of which the City of Wichita will pay the State of Kansas One Dollar (\$1) per ton as required by the State Permit Conditions and/or State regulations.

Fifteen Dollars (\$15) per ton allocated to the Landfill Operations Contractor – GGH Wichita, LLC.

SECTION 5. That all other conditions stipulated in the contract between GGH Wichita, LLC and the City of Wichita, approved on November 26, 2013 shall apply.

SECTION 6. Be it further resolved that the above-described improvement is hereby authorized and declared to be necessary in accordance with the findings of the Governing Body as set out in this resolution.

SECTION 7. That the City Clerk shall make proper publication of this resolution, which shall be published once in the official City paper and which shall be effective from and after said publication.

PASSED by the governing body of the City of Wichita, Kansas, this 26th day of November, 2013.

CARL BREWER, MAYOR

APPROVED AS TO FORM:

KAREN SUBLETT, CITY CLERK

GARY E. REBENSTORF
DIRECTOR OF LAW

AGREEMENT

THIS AGREEMENT is entered into on this 6th day of November, 2013, by and between the CITY OF WICHITA, KANSAS, a municipal corporation, called the "City" and GGH Wichita, LLC, called the "Contractor".

INITIATING PROVISIONS:

- A. The City is the owner of the present Brooks Landfill site; and
- B. The City holds the solid waste disposal permit for the Brooks Landfill site (Permit #213) to allow for the filling on the site with construction and demolition wastes as permitted by state law and regulation; and
- C. The City wishes to contract for the operation of the site as a construction and demolition waste (C&D waste) landfill site; and
- D. To that end, the City has prepared a RFP seeking proposals from qualified firms to operate a construction and demolition landfill; and
- E. The Contractor has submitted the best proposal to operate a construction and demolition waste landfill on the Brooks Landfill site in its proposal dated October 8, 2012.
- F. The City and Contractor entered into an Agreement dated February 12, 2013. The City has initiated a change in the rate at the Brooks Landfill and the parties have mutually decided to clarify other terms in the Agreement in connection with the rate change. The terms of which are contained herein.
- G. The City agrees and acknowledges that the revisions contained in the Agreement can be made without any requirement to seek competitive proposals for the work and prices contemplated herein.

NOW, THEREFORE, in consideration of the compensation in the form of contract rights, Contractor is to receive and the compensation and services Contractor is to provide to the City by this agreement, including its incorporated attachments called the Contract Documents, the parties agree as follows:

ENACTING PROVISIONS:

ARTICLE I. Scope of Contractor Services. The Contractor shall, in a good, substantial, and workmanlike manner and in accordance with the requirements and provisions of the Contract Documents perform, execute, construct, operate and complete all work included in the specifications and provisions of the Contract Documents, to include:

- 1. Contract Documents are inclusive of, but not limited to the Request for Proposal, Contractor Proposal and the Executed Contract.
- 2. Provide all required professional services needed to prepare a permit modification for approval from the Kansas Department of Health and Environment - Bureau of Waste Management (KDHE-BWM) to allow for the operation of construction and demolition landfill phases on the site of the current Brooks Landfill (KDHE Permit # 213). Included shall be all required design drawings, calculations, presentations, and any other products necessary to secure the permit modification. This work shall include receiving

any and all local approvals for the modification as required by KDHE-BWM or local officials.

3. Supply all labor, equipment, supervision, and materials necessary to operate a construction and demolition (C&D) landfill in compliance with all federal, state, and local laws, regulations and requirements. This shall include a site manager, equipment operators, and personnel to screen the waste, and labor to pick-up blowing waste. Landfill equipment provided by the contractor shall include a minimum of the following: 1) landfill compactor, 2) D6 dozer with trash package, 3) grinder, 4) trammel screen, 5) backhoe or excavator and 6) front end loader and 7) any other equipment required to efficiently run the landfill and/or listed in the contract documents.
4. Provide staff to maintain and operate a scale house substantially equivalent or superior to the one currently in operation at the Brooks Landfill.
5. Work diligently to develop opportunities to recycle, reuse, or make other beneficial use of the wastes received at the site and shall be entitled to any and all revenues received from the sale of such recycled or reused materials.
6. Hours of Operation shall be Monday through Friday from 7:30 am to 5:00 pm and Saturday from 8:00 am to 2:00 pm. During the cool season November 1 to March 1, weekday hours will be reduced to 4:30 and Saturday hours to 12:00 pm.

ARTICLE II. Compensation. The Contractor agrees to pay to the City \$19.00 per ton for each pay ton of C&D waste received from the general public (other than waste received from the City of Wichita) and the Contractor will retain \$15.00 per ton. The Contractor agrees that the total tipping fee charged to the general public will not exceed \$34.00 per ton for C&D waste. Contractor agrees that these fees will remain at this rate until March 1, 2014 when the following paragraph becomes applicable. The City will pay the state tipping fee of \$1.00 per ton. The Contractor will pay any state imposed tipping fee surcharge or penalties imposed for non-compliance with state landfill regulations.

In subsequent years, the maximum amount the contractor may retain shall be adjusted by an amount equal to the change for the preceding year in the Consumer Price Index published by the U.S. Department of Labor, Bureau of Statistics calculated from the criteria of North Central Urban, size B, CP1-U. If this Consumer Price Index is not available in its present form, the City and Contractor shall agree on a different index to be used for adjustment. Contractor's sole and total compensation for performing the duties under this contract shall be the difference between the total tipping fee, any state tipping fee surcharge, and the \$19.00 per ton amount paid to the City plus all revenues received from the sale of material that is presented for disposal at the site.

The City will review the contractor retained rate and determine if and when the tipping fee charged to the general public will be revised by City Council action.

Other rates charged under the operational requirements include:

Unsecured load: \$52.00 per ton (City is paid \$19.00 per ton)

Asbestos waste:

Friable asbestos: \$42.50 per cubic yard (City is paid \$5.31 per cubic yard)

Non-friable asbestos: \$54.20 per ton (City is paid \$19.00 per ton)

Minimum charge \$20.00 per vehicle (City is paid \$19.00 per ton based actual weight)

Special Handling charges: standard tipping fee + \$20.00 per ton

DA-2

ARTICLE III. Operational Responsibilities. The parties agree to the following allocation of specific contractual duties.

a. The Contractor will:

1. Pay for all utility bills for the site other than those separately metered to the landfill gas collection project and the ground water remediation project.
2. The Contractor has submitted a revised landfill operations plan for approval by the City of Wichita and KDHE-BWM.
3. Provide office space for City staff, including utilities and a janitorial service, which is substantially equivalent or superior to that provided under the present contract.
4. Coordinate C&D filling operations with the City's landfill gas collection system site operations to avoid damage to the landfill gas collection and processing system and to allow for the effect and effective operation and maintenance of this system.
5. Accept for disposal from the City C&D waste without charge.
6. Control access to the site, weigh all disposal loads presented at the site and collect from all users, other than the City, the tipping fee established for disposal at the site.
7. Remit to the City by the 15th calendar day of each month the amount collected in the previous month corresponding to the \$19.00 per ton collected on all non-City tons presented for disposal at the site. This remittance shall include an accounting of tonnage and revenues received from all users of the site and such other financial or operational information as the City may reasonably request to ensure the site is being properly operated and managed.
8. Place all required cover material other than final closure cover. Maintain the site as necessary to minimize blowing litter on site and to minimize the amount of litter blowing off site.
9. Construct and maintain all required haul roads on the site needed for construction and demolition waste disposal and any recycling/reuse processing and reclaiming that the Contractor may elect to engage in.
10. Provide onsite dust control as required to minimize the amount of dust originating at the site that is associated with the handling, processing, and/or disposal of construction and demolition wastes.
11. Pay for all costs associated with any state tipping for surcharge or penalties imposed for non-compliance with state landfill regulations.
12. Charge the tipping fee established by the City Council for each pay ton of C&D waste presented for disposal from the general public (other than waste received from the City of Wichita). This will prohibit the formation of any special agreements with waste haulers for discount rates upon execution of this contract. Any existing agreements must be terminated by January 1, 2014. The City and Contractor that there is one pre-existing disposal agreement that has a term that will expire on July 12, 2014 and that disposal agreement will not be renewed.

b. The City will:

1. Pay for all costs associated with: 1) final closure costs and 2) post closure care of the areas filled with C&D material under this contract.
2. Pay the state \$1.00 per ton tipping fee.
3. Coordinate with Contractor landfill activities including:
 - a. Meet with Contractor and establish a schedule for the landfill expansion design and permitting to be conducted by the Contractor within 90 days from the initiation of the landfill operations. Additionally, the City will review and approve all scope of work and proposed budget expenditures as well as all prepared design plans in a timely manner and submit the finalized plans to KDHE for approval. The City will be responsible for design and permitting efforts that exceed the Contractors proposed efforts.
 - b. Review the tipping fee and Contractor retained fee annually to determine total tipping fee and the share paid to the City.
4. Make available to Contractor all street sweepings (after processing through the screen) and all available onsite soils for use as cover material.

In default of enumeration in the Contract Documents or later written amendment, any additional operational duty shall be the responsibility of the Contractor.

ARTICLE IV. Start Date and Agreement Term. The Contractor shall start work under this Agreement beginning on March 1, 2013 in accordance with the original contract. The C&D landfill must be operational and open to the public Monday through Friday from 7:30 am to 5:00 pm and Saturday from 8:00 am to 2:00 pm. During the cool season (November 1 to March 1), weekday hours will be reduced to 4:30 and Saturday hours to 12:00 pm. The Contractor shall continue work from that point in conformance with the Contract Documents and in conformance with instructions from the City under options set forth in the Contract Documents for extension of the Contract and any future amendments. The initial term of this Agreement shall run until February 28, 2018. By mutual consent, the Agreement can be extended for two additional three-year periods subject re-negotiation of contract terms. The City will pay final closure costs and post closure care of the areas filled with construction and demolition material under this Agreement.

ARTICLE V. Recycling or Sale Disclosures. Contractor shall disclose the terms of sale of all material presented for disposal that the Contractor sells rather than land filling. For each such sale, the Contractor must disclose the quantity and type of material sold, delivery provisions, date of sale, date of delivery, entity to which sale was made and the compensation received by the Contractor for the material sold.

ARTICLE VI. Cancellation. The City and the Contractor reserve the right to cancel this Agreement upon a 90 day written notice for any reason, but this cancellation shall not take effect prior to March 1, 2014.

In the event of cancellation of this Agreement by the Contractor, Contractor will grant the City the first right of refusal for operational infrastructure including computers, software, and software licenses associated with the operations on this site.

In the event the cancellation of this agreement by the City, the City will prorate the approved amount expended by the Contractor on the design and permitting over the initial 5 year contract term and will reimburse the contractor for design and permitting efforts based upon that calculated prorated amount. This calculation will consist of the percent of design/permitting completed versus the percent of the 5 year contract remaining.

ARTICLE VII. Force Majeure. Neither the City nor the Contractor shall be considered in breach of this Contract to the extent that performance of their respective obligations (excluding payment obligations) is prevented by an Event of Force Majeure that arises after the Effective Date of this Contract. An Event of Force Majeure includes, but is not limited to; act of God (such as, but not limited to, tornadoes, fires, explosions, earthquakes, drought, tidal waves and floods); war, hostilities (whether war be declared or not), invasion, act of foreign enemies, mobilization, requisition, or embargo; or a rebellion, revolution, insurrection, or military or usurped power, or civil war; and /or acts or threats of terrorism. If an Event of Force Majeure results in a loss or damage to the Facility, then the Contractor shall resume operations as soon as possible and rectify such loss or damage to the extent required by the City, PROVIDED that any Cost of rectification (less any insurance proceeds received by the Contractor for the loss or damage) is borne by the City and the Contractor having taken reasonable steps to mitigate the Cost.

ARTICLE VIII. Dispute Resolution. In the event of any dispute, claim, question, or disagreement arising from or relating to this agreement or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of 30 days, then, upon notice by either party to the other, all disputes, claims, questions, or differences shall be settled by initiating a dispute resolution process that begins with the Director of Public Works & Utilities and the President or Vice President of the Contractor meeting to discuss and resolve the dispute, claim, question, or disagreement. If the matter cannot be resolved, then both parties agree the issue shall be finally settled by a mediator of resolution. The parties shall agree upon the appointment of a mediator, upon receipt, by either of them, of a written notice to concur in such appointment. The mediator will interview both parties, and within 30 days from the appointment, make a decision which shall be binding to both parties.

ARTICLE IX. Incorporated Attachments. The parties agree the following attachments are incorporated into this Agreement and, collectively with this Agreement, form the agreed Contract Documents setting their contractual rights and obligations.

- a) Contractor's Proposal to City of Wichita
- b) The City of Wichita's RFP #FP240068, specifically including, without limitation, General Conditions 1-36.

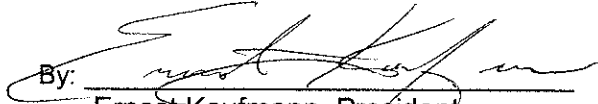
Should there arise a conflict between provisions of these various documents, the provisions of this Agreement shall have controlling effect. If this Agreement is silent on the pertinent issue, the provisions of the Incorporated Attachments, listed above in order of descending priority, shall control.

The parties have executed this Agreement as of the day and year first above written.

CITY OF WICHITA, KANSAS
by order of the City Council

GGH Wichita, LLC,

By: _____
Carl Brewer, Mayor

By:  _____
Ernest Kaufmann, President

ATTEST:

Karen Sublett, City Clerk

APPROVED AS TO FORM:

 _____
Gary E. Rebenstorf, City Attorney



City of Wichita
City Council Meeting
November 26, 2013

TO: Mayor and City Council

SUBJECT: Wholesale Water Assignment Agreement - Rural Water District No. 8 to Rural Water District No. 5 (All Districts)

INITIATED BY: Department of Public Works & Utilities

AGENDA: Consent

Recommendation: Approve the assignment, assumption and consent of the Wholesale Water Agreement.

Background: Rural Water District No. 8 (RWD 8) entered into a wholesale water purchase contract with the City of Wichita in 1981, under which the City provided all water used by RWD 8 customers. The contract was renewed in 2011 for a period of 20 years through 2031. RWD 8 has asked Rural Water District No. 5 (RWD 5) to take over operation of its facilities, infrastructure and contracts and RWD 5 has agreed. The operation of the two service territories will remain as it exists today under the current contracts and agreements, but under the name of RWD 5. The only alteration to the existing operation is that an emergency connection will be constructed in the event that water service is interrupted by either of the current sources.

Analysis: The service areas of RWD 8 and RWD 5 are located primarily in Butler County. RWD 8 used its connection to the City's supply on a full-time basis and the service territory within RWD 5 will remain the same and operate under the existing agreement with the former RWD 8. RWD 5 is served by El Dorado on a full-time basis and the service territory will remain the same, operating under the existing wholesale agreement between El Dorado and RWD 5.

Financial Considerations: The Department of Public Works & Utilities collected approximately \$76,000 from RWD 8 in 2012 with a consumption of 35.3 million gallons of water. Projections indicate that its usage for 2013 will be 31.5 million gallons. Rates for water service are based on the standard inclining block rates for wholesale customers. Based on the take-or-pay provision, the City is guaranteed at least half that amount (\$28,500).

Legal Considerations: The agreement has been reviewed and approved as to form by the Law Department.

Recommendations/Actions: It is recommended that the City Council approve the assignment, assumption and consent of Wholesale Water Agreement and authorize the necessary signatures.

Attachments: Wholesale Water Agreement and maps.

ASSIGNMENT, ASSUMPTION AND CONSENT OF WHOLESALE WATER SALES AGREEMENT

This Assignment, Assumption and Consent of Wholesale Water Sales Agreement (“Agreement”) is dated as of _____, 2013 (the “Effective Date”) between Butler County Rural No. 8. Hereinafter “#8”, Butler County Rural Water District No. 5, hereinafter “#5”, and The City of Wichita, Sedgwick County, Kansas, hereinafter “Wichita”.

RECITALS

A. #8 is the purchaser under a certain Wholesale Water Sales Agreement with Wichita dated March 1, 2011 as identified on Exhibit A attached hereto.

B. #8 has agreed to assign its interest in the Wholesale Water Sales Agreement to #5, and #5 has agreed to assume all of #8’s right, title, interest and obligations in and to the Wholesale Water Sales Agreement.

C. City of Wichita hereby consents and recognizes this assignment and assumptions,

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties each hereby agree as follows:

1. Assignment. Effective as of 12:01 a.m. local time on the Effective Date, #8 hereby assigns and transfers to #5 all of #8’s right, title, interest and obligations in and to the Wholesale Water Sales Agreement.

2. Assumption. Effective as of 12:01 a.m. on the Effective Date, #5 hereby assumes all of the #8’s covenants, agreements, liabilities and obligations that arise after the 12:01 a.m. on the Effective Date and relate to facts, circumstances or conditions existing, initiated or occurring after 12:01 a.m. after the Effective Date.

3. Service Area. Wichita understands that the service area of #8 shall be acquired by #5 and incorporated into #5 service area. Wichita acknowledges some of the service area will be served by the City of El Dorado and some by the City of Wichita with connective value in the event of emergency and hereby expressly allows #5’s sales of water to the customers within its incorporated boundaries.

4. Effective Date. Shall be the date of the Memorandum of Understanding between the Districts providing for #5 to acquire the operation of #8.

5. Miscellaneous. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Kansas. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, #8, #5 and Wichita have executed this Agreement as of the date first above written.

Butler County Rural Water District No. 8

By: _____
Name: _____, Chairman

Butler County Rural Water District No. 5

By: _____
Name: _____

City of Wichita, Sedgwick County, Kansas

Carl Brewer, Mayor

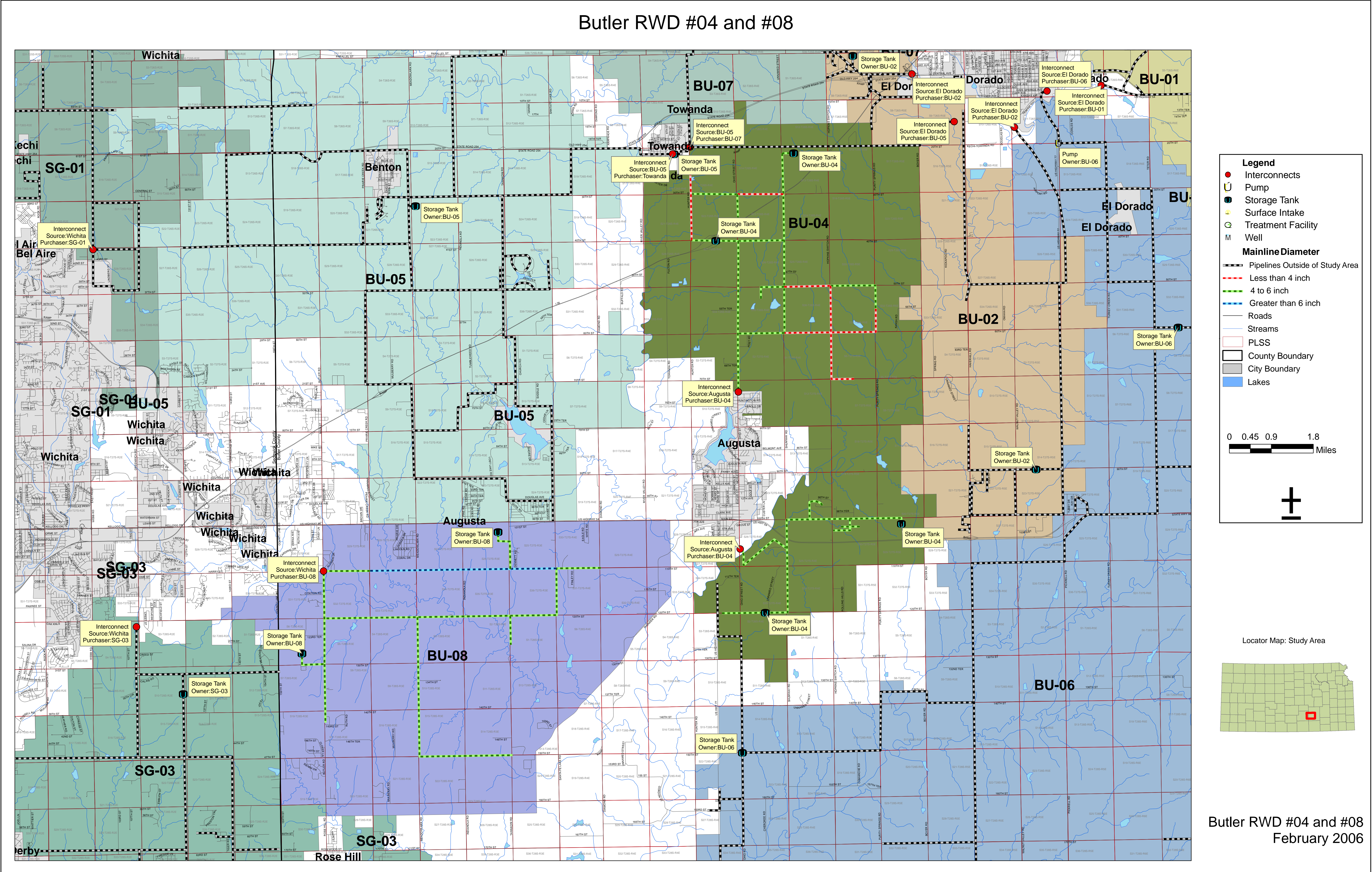
ATTEST:

Karen Sublett, City Clerk

(SEAL)

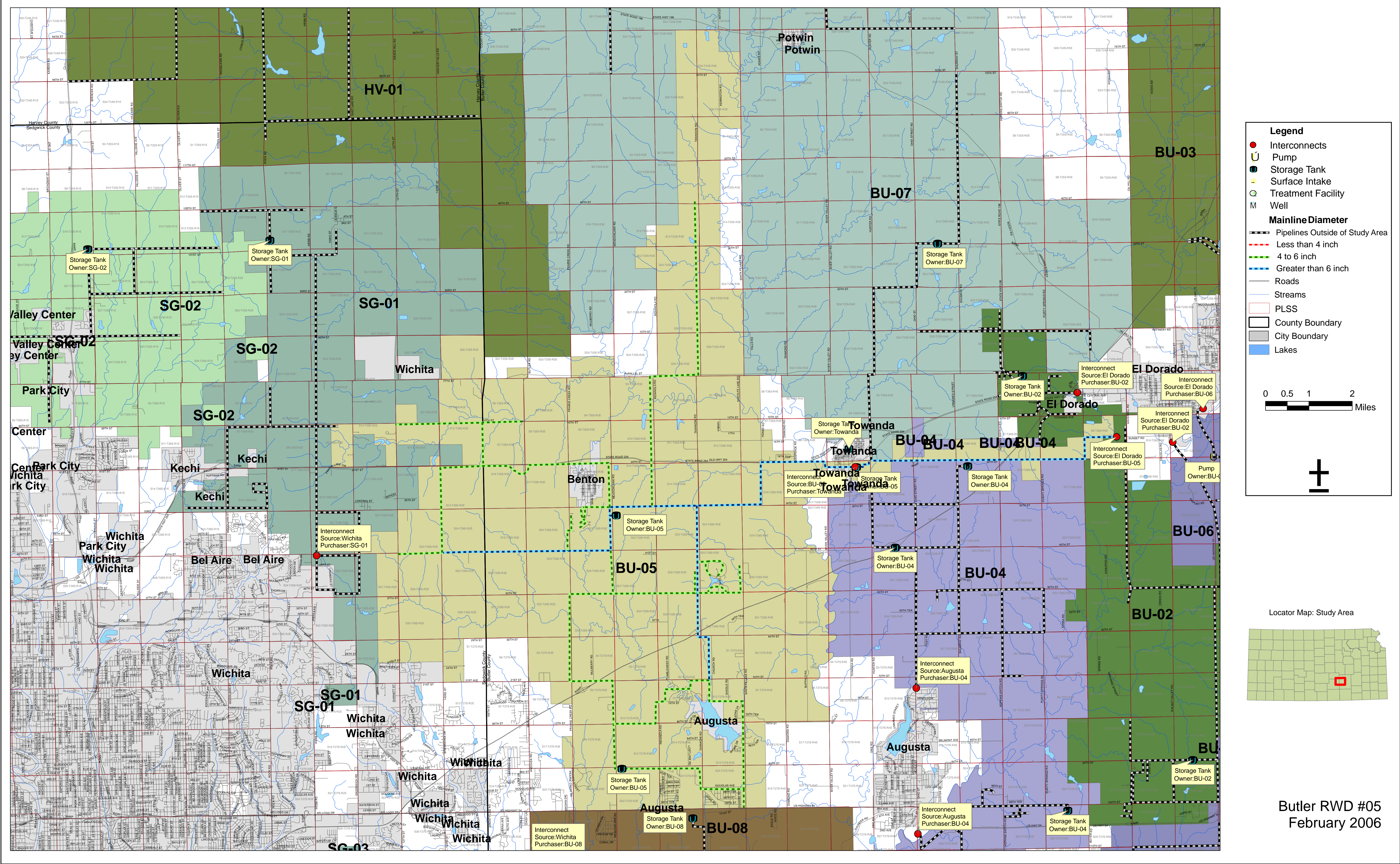
Gary E Rebenstorf
Director of Law

Butler RWD #04 and #08



Butler RWD #04 and #08
February 2006

Butler RWD #05



**City of Wichita
City Council Meeting
November 26, 2013**

TO: Mayor and City Council Members

SUBJECT: Repair or Removal of Dangerous & Unsafe Structures
(Districts I, III, & IV)

INITIATED BY: Metropolitan Area Building and Construction Department

AGENDA: Consent

Recommendations: Adopt the attached resolutions to schedule required City Council public hearings to consider condemnation of structures deemed dangerous and unsafe per Kansas State Statutes.

Background: On November 4, 2013, the Board of Building Code Standards and Appeals conducted hearings on the properties listed below. The buildings on these properties are considered dangerous and unsafe structures per State Statutes and local ordinances, and are being presented in order to schedule condemnation hearings before the City Council. The Board of Building Code Standards and Appeals has recommended that the City Council proceed with condemnation, demolition and removal of the dangerous buildings on these properties.

Analysis: Minimum Housing Code violation notices have been issued on these structures; however, compliance has not been achieved. Pre-condemnation and formal condemnation letters have also been issued, and the time granted for repair or removal has expired. No actions have been taken by the property owners and/or other interested parties to complete required building repairs or to remove the dangerous buildings.

<u>Property Address</u>	<u>Council District</u>
a. 312 W. 19 th St. N.	VI
b. 1104 N. Madison	I
c. 1514 S. Mosley	III
d. 3140 S. Yale	III

Financial Considerations: Structures condemned as dangerous buildings are demolished with funds from the Metropolitan Area Building and Construction Department (MABCD) Special Revenue Fund contractual services budget, as approved annually by the City Council. This budget is supplemented by an annual allocation of Federal Community Development Block Grant funds for demolition of structures located within the designated Neighborhood Reinvestment Area. Expenditures for dangerous building condemnation and demolition activities are tracked to ensure that City Council Resolution No. R-95-560, which limits MABCD expenditures for non-revenue producing condemnation and housing code enforcement activities to 20% of MABCD's total annual budgeted Special Revenue Fund expenditures, is followed. Owners of condemned structures demolished by the City are billed for the contractual costs of demolition, plus an additional \$500 administrative fee. If the property owner fails to pay, these charges are recorded as a special property tax assessment against the property, which may be collected upon subsequent sale or transfer of the property.

Legal Considerations: The Law Department has reviewed and approved the resolution as to form.

Recommendations/Actions: It is recommended that the City Council adopt the attached resolutions to schedule a public hearing before the City Council on January 7, 2014 at 9:30 a.m. or soon thereafter, to consider condemnation of structures deemed dangerous and unsafe per Kansas State Statutes and local ordinances.

Attachments: Letter to Council, summary, and resolution.

OCA: 230200

**PUBLISHED IN THE WICHITA EAGLE ON DECEMBER 2, AND 9, 2013
RESOLUTION NO. 13-216**

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 41,43,45 AND 47, EXCEPT THE EAST 74 FEET, BLOCK 2, AVONDALE ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS** KNOWN AS **312 W 19TH ST N** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **26th day of November, 2013**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **7th day of January 2014**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council room, City Building at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOTS 41,43,45 AND 47, EXCEPT THE EAST 74 FEET, BLOCK 2, AVONDALE ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS**, known as: **312 W 19TH ST N**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is A one story frame dwelling about 38 x 26 feet in size. Vacant for at least a year, this structure has no roof covering; cracking and shifting concrete block foundation; rotted wood front porch; badly deteriorated porch stoop and steps; and rotted wood trim.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **26th day of November, 2013**.

Carl Brewer, Mayor

(SEAL)

ATTEST: _____
Karen Sublett, City Clerk

OCA: 230200

PUBLISHED IN THE WICHITA EAGLE ON DECEMBER 2, AND 9, 2013

RESOLUTION NO. 13-217

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 42 AND 44, TENTH STREET ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS KNOWN AS 1104 N MADISON** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **26th day of November, 2013**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **7th day of January 2014**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council room, City Building at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOTS 42 AND 44, TENTH STREET ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS**, known as: 1104 N MADISON, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is A one story frame dwelling about 20 x 45 feet in size. Vacant for at least 18 months, this structure has a badly deteriorated composition roof, with missing shingles and holes; badly cracked and shifting concrete block foundation, with missing block; deteriorated and missing siding shingles; rotted front porch cover; exposed, rotted wall sheathing and framing members; and rotted rafter tails and wood trim.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **26th day of November, 2013**.

Carl Brewer, Mayor

(SEAL)

ATTEST: _____
Karen Sublett, City Clerk

OCA: 230200

PUBLISHED IN THE WICHITA EAGLE ON DECEMBER 2, AND 9, 2013

RESOLUTION NO. 13-218

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **THE NORTH 50 FEET OF THE WEST HALF OF LOT 9, BLOCK 5, PERRY'S ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS** KNOWN AS **1514 S MOSLEY** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **26th day of November, 2013**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **7th day of January 2014**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council room, City Building at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **THE NORTH 50 FEET OF THE WEST HALF OF LOT 9, BLOCK 5, PERRY'S ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS**, known as: **1514 S MOSLEY**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is A two story frame dwelling about 30 x 40 feet in size. Vacant for at least 18 months, this structure has been damaged by fire. It has a badly worn composition roof with missing shingles; cracking basement walls; fire-damaged and missing wood lap siding; fire-damaged framing members; rotted wood front porch; rotted and fire-damaged wood trim; and the 12 x 20 foot accessory garage is deteriorated.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **26th day of November, 2013**.

Carl Brewer, Mayor

(SEAL)

ATTEST: _____
Karen Sublett, City Clerk

OCA: 230200

**PUBLISHED IN THE WICHITA EAGLE ON DECEMBER 2, AND 9, 2013
RESOLUTION NO. 13-219**

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOT 71, BLOCK F, PLANEVIEW SUBDIVISION NO. 2, SEDGWICK COUNTY, KANSAS KNOWN AS 3140 S YALE** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **26th day of November, 2013**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **7th day of January 2014**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council room, City Building at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at LOT 71, BLOCK F, PLANEVIEW SUBDIVISION NO. 2, SEDGWICK COUNTY, KANSAS, known as: 3140 S YALE, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is A one story frame dwelling about 24 x 28 feet in size. Vacant for at least 2 years, this structure has been badly damaged by fire. It has a fire-damaged composition roof, with holes; deteriorating wood pier foundation; fire-damaged and missing vinyl siding; exposed, fire-damaged framing members; badly charred wall sheathing and wood trim; and the interior has been gutted by fire.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **26th day of November, 2013**.

Carl Brewer, Mayor

(SEAL)

ATTEST: _____
Karen Sublett, City Clerk

TO: The Mayor and City Council
Wichita, Kansas

RE: Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

(a) Description of Structure: A one story frame dwelling about 38 x 26 feet in size. Vacant for at least a year, this structure has no roof covering; cracking and shifting concrete block foundation; rotted wood front porch; badly deteriorated porch stoop and steps; and rotted wood trim.

(b) Street Address: 312 W 19TH ST N

(c) Owners:
Federal National Mortgage Association
13455 Noel Rd, Suite 600
Dallas, TX 75240

(d) Resident Agent: None

(e) Occupant: None

(f) Lienholders of Record: None

(g) Mortgage Holder(s): None

(h) Interested Parties: None

DATE: November 5, 2013

CDM SUMMARY

COUNCIL DISTRICT # VI

ADDRESS: 312 W 19TH ST N

LEGAL DESCRIPTION: LOTS 41,43,45 AND 47, EXCEPT THE EAST 74 FEET, BLOCK 2, AVONDALE ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS

DESCRIPTION OF STRUCTURE: A one story frame dwelling about 38 x 26 feet in size. Vacant for at least a year, this structure has no roof covering; cracking and shifting concrete block foundation; rotted wood front porch; badly deteriorated porch stoop and steps; and rotted wood trim.

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.

B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.

C. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

Director of Metropolitan Area Building and Construction Department
Enforcing Officer

Date

OCA: 230200

PUBLISHED IN THE WICHITA EAGLE ON
RESOLUTION NO. _____

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 41,43,45 AND 47, EXCEPT THE EAST 74 FEET, BLOCK 2, AVONDALE ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS KNOWN AS 312 W 19TH ST N** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **26th day of November, 2013**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

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Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **26th day of November, 2013**.

Carl Brewer, Mayor

(SEAL)

ATTEST: _____
Karen Sublett, City Clerk

TO: The Mayor and City Council
Wichita, Kansas

RE: Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

(a) Description of Structure: A one story frame dwelling about 20 x 45 feet in size. Vacant for at least 18 months, this structure has a badly deteriorated composition roof, with missing shingles and holes; badly cracked and shifting concrete block foundation, with missing block; deteriorated and missing siding shingles; rotted front porch cover; exposed, rotted wall sheathing and framing members; and rotted rafter tails and wood trim.

(b) Street Address: 1104 N MADISON

(d) Owners:
Elmer Hicks and Dortha Rogers
DECEASED

(d) Resident Agent: None

(e) Occupant: None

(f) Lienholders of Record:
Kelly Arnold, County Clerk
Sedgwick County Courthouse
525 N Main
Wichita KS 67203

Chris McElgunn, Attorney
301 N Main #1600
Wichita KS 67202

(i) Mortgage Holder(s):
CITY OF WICHITA, NEIGHBORHOOD IMPROVEMENT SERVICES
332 N RIVERVIEW
WICHITA, KS 67203

(j) Interested Parties: None

DATE: November 5, 2013

CDM SUMMARY

COUNCIL DISTRICT # I

ADDRESS: 1104 N MADISON

LEGAL DESCRIPTION: LOTS 42 AND 44, TENTH STREET ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS

DESCRIPTION OF STRUCTURE: A one story frame dwelling about 20 x 45 feet in size. Vacant for at least 18 months, this structure has a badly deteriorated composition roof, with missing shingles and holes; badly cracked and shifting concrete block foundation, with missing block; deteriorated and missing siding shingles; rotted front porch cover; exposed, rotted wall sheathing and framing members; and rotted rafter tails and wood trim.

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.

B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.

C. Those open to unauthorized persons or those permitted to be attractive to loiterers, vagrants, or children.

D. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

Director of Metropolitan Area Building and Construction Department
Enforcing Officer

Date

PUBLISHED IN THE WICHITA EAGLE ON
RESOLUTION NO. _____

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOTS 42 AND 44, TENTH STREET ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS** KNOWN AS **1104 N MADISON** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **26th day of November, 2013**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

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Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **26th day of November, 2013**.

Carl Brewer, Mayor

(SEAL)

ATTEST: _____
Karen Sublett, City Clerk

TO: The Mayor and City Council
Wichita, Kansas

RE: Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

(a) Description of Structure: A two story frame dwelling about 30 x 40 feet in size. Vacant for at least 18 months, this structure has been damaged by fire. It has a badly worn composition roof with missing shingles; cracking basement walls; fire-damaged and missing wood lap siding; fire-damaged framing members; rotted wood front porch; rotted and fire-damaged wood trim; and the 12 x 20 foot accessory garage is deteriorated.

(b) Street Address: 1514 S MOSLEY

(c) Owners:
Suntrust Mortgage, INC
C/O South & Associates, P.C
6363 College BLVD, Suite 100
Overland Park KS 66211

(d) Resident Agent: None

(e) Occupant: None

(f) Lienholders of Record:
Kelly Arnold, County Clerk
Sedgwick County Courthouse
525 N Main
Wichita KS 67203

Chris McElgunn, Attorney
301 N Main #1600
Wichita KS 67202

United States Bankruptcy Court for the District of Kansas

(k) Mortgage Holder(s):

(l) Interested Parties: None

DATE: November 5, 2013

CDM SUMMARY

COUNCIL DISTRICT # III

ADDRESS: 1514 S MOSLEY

LEGAL DESCRIPTION: THE NORTH 50 FEET OF THE WEST HALF OF LOT 9, BLOCK 5, PERRY'S ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS

DESCRIPTION OF STRUCTURE: A two story frame dwelling about 30 x 40 feet in size. Vacant for at least 18 months, this structure has been damaged by fire. It has a badly worn composition roof with missing shingles; cracking basement walls; fire-damaged and missing wood lap siding; fire-damaged framing members; rotted wood front porch; rotted and fire-damaged wood trim; and the 12 x 20 foot accessory garage is deteriorated.

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.

B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.

C. Those open to unauthorized persons or those permitted to be attractive to loiterers, vagrants, or children.

D. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

Director of Metropolitan Area Building and Construction Department
Enforcing Officer

Date

_____PUBLISHED IN THE WICHITA EAGLE ON_____
RESOLUTION NO. _____

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **THE NORTH 50 FEET OF THE WEST HALF OF LOT 9, BLOCK 5, PERRY'S ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS KNOWN AS 1514 S MOSLEY** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **26th day of November, 2013**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **7th day of January 2014**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council room, City Building at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **THE NORTH 50 FEET OF THE WEST HALF OF LOT 9, BLOCK 5, PERRY'S ADDITION TO WICHITA, SEDGWICK COUNTY, KANSAS**, known as: **1514 S MOSLEY**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is A two story frame dwelling about 30 x 40 feet in size. Vacant for at least 18 months, this structure has been damaged by fire. It has a badly worn composition roof with missing shingles; cracking basement walls; fire-damaged and missing wood lap siding; fire-damaged framing members; rotted wood front porch; rotted and fire-damaged wood trim; and the 12 x 20 foot accessory garage is deteriorated.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **26th day of November, 2013**.

Carl Brewer, Mayor

(SEAL)

ATTEST: _____
Karen Sublett, City Clerk

TO: The Mayor and City Council
Wichita, Kansas

RE: Statement of Dangerous or Unsafe Structure

The following described structure is in a dangerous or unsafe condition:

(a) Description of Structure: A one story frame dwelling about 24 x 28 feet in size. Vacant for at least 2 years, this structure has been badly damaged by fire. It has a fire-damaged composition roof, with holes; deteriorating wood pier foundation; fire-damaged and missing vinyl siding; exposed, fire-damaged framing members; badly charred wall sheathing and wood trim; and the interior has been gutted by fire.

(b) Street Address: 3140 S YALE

(f) Owners:
Kevin Graham
1732 S Volutsia
Wichita KS 67211

(d) Resident Agent:

(e) Occupant: None

(f) Lienholders of Record:
General Board of Higher Education and Ministry of the United Methodist Church
C/O Cohen, McNeile, Pappas & Shuttleworth, P.C.
4601 College Blvd, Suite 200
Leawood KS 66211

Kelly Arnold, County Clerk
Sedgwick County Courthouse
525 N Main
Wichita KS 67203

Chris McElgunn, Attorney
301 N Main #1600
Wichita KS 67202

(m) Mortgage Holder(s):

(n) Interested Parties: None

DATE: November 5, 2013

CDM SUMMARY

COUNCIL DISTRICT # III

ADDRESS: 3140 S YALE

LEGAL DESCRIPTION: LOT 71, BLOCK F, PLANEVIEW SUBDIVISION NO. 2, SEDGWICK COUNTY, KANSAS

DESCRIPTION OF STRUCTURE: A one story frame dwelling about 24 x 28 feet in size. Vacant for at least 2 years, this structure has been badly damaged by fire. It has a fire-damaged composition roof, with holes; deteriorating wood pier foundation; fire-damaged and missing vinyl siding; exposed, fire-damaged framing members; badly charred wall sheathing and wood trim; and the interior has been gutted by fire.

Description of dangerous or unsafe condition(s): The property is found to be dangerous and unsafe because of the following conditions:

A. Those, which have been damaged by fire, wind, want of repair, or other causes so as to have become dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the city.

B. The structure fails to provide the necessities to decent living, which makes it, unfit for human habitation.

C. Those open to unauthorized persons or those permitted to be attractive to loiterers, vagrants, or children.

D. Those whose use, equipment or want of good housekeeping constitutes a decided fire or safety hazard to the property itself or its occupants or which presents a decided fire or safety hazards to surrounding property or a menace to the public safety and general welfare.

City Ordinance states that any one of the above categories is just cause to declare the building a public nuisance and shall be repaired or demolished.

Director of Metropolitan Area Building and Construction Department
Enforcing Officer

Date

PUBLISHED IN THE WICHITA EAGLE ON
RESOLUTION NO. _____

A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS, AT WHICH THE OWNER, HIS AGENT, LIENHOLDERS OF RECORD AND OCCUPANTS OF PROPERTY LEGALLY DESCRIBED AS: **LOT 71, BLOCK F, PLANEVIEW SUBDIVISION NO. 2, SEDGWICK COUNTY, KANSAS** KNOWN AS **3140 S YALE** MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS A DANGEROUS STRUCTURE.

WHEREAS, the enforcing officer of the City of Wichita, Kansas, did on the **26th day of November, 2013**, file with the governing body of said city, a statement in writing that certain structure(s), hereinafter described, is unsafe or dangerous.

NOW THEREFORE, be it Resolved by the Governing Body of the City of Wichita.

That a hearing will be held on the **7th day of January 2014**, before the governing body of the city at **9:30 A.M.**, or thereafter in the council room, City Building at which time the owner, his agent, any lienholders of record or any occupant of property, legally described at **LOT 71, BLOCK F, PLANEVIEW SUBDIVISION NO. 2, SEDGWICK COUNTY, KANSAS**, known as: **3140 S YALE**, may appear and show cause why such structure should not be condemned as an unsafe or dangerous structure ordered repaired or demolished. The structure is A one story frame dwelling about 24 x 28 feet in size. Vacant for at least 2 years, this structure has been badly damaged by fire. It has a fire-damaged composition roof, with holes; deteriorating wood pier foundation; fire-damaged and missing vinyl siding; exposed, fire-damaged framing members; badly charred wall sheathing and wood trim; and the interior has been gutted by fire.

Be it further resolved that the City Clerk shall cause this Resolution to be published and shall give notice of the aforesaid hearing in the manner provided by K.S.A. 12-1752.

Adopted this **26th day of November, 2013**.

Carl Brewer, Mayor

(SEAL)

ATTEST: _____
Karen Sublett, City Clerk



DEPARTMENT OF LAW
INTEROFFICE MEMORANDUM

TO: Karen Sublett, City Clerk
FROM: Gary E. Rebenstorf, Director of Law
SUBJECT: Report on Claims for October, 2013
DATE: November 6, 2013

The following claims were approved by the Law Department during the month of October 2013.

Angle, Jennifer	\$6,538.30*
Black, Bryan	\$ 407.05
Burns, Regina	\$ 175.00**
Cortez, Victoria	\$ 479.47
Francis, Jessica	\$2,412.37
Grattan, Curt	\$2,474.00
Hines, Steve	\$3,267.00
Mitchell, Dennis	\$ 96.20
Sommerhauser, Larry	\$ 130.00**
Wilson, Charles	\$ 130.00**

*City Manager Approval

** Settled for lesser amount than claimed

***Settled for more than amount claimed

cc: Robert Layton, City Manager
Shawn Henning, Director of Finance

**City of Wichita
City Council Meeting
November 26, 2013**

TO: Mayor and City Council

SUBJECT: Payment for Settlement of Lawsuit –
Estate of Jerome Dixon, Lakeda Dixon, et. al v. City of Wichita

INITIATED BY: Law Department

AGENDA: Consent

Recommendation: Authorize payment of \$45,000 as a full settlement of the subject case and all other claims arising out of the incident which is the subject of the lawsuit.

Background: This lawsuit arises from an incident which occurred on November 5, 2010. It alleges that Wichita Police Department officers unlawfully detained Lakeda Dixon and her minor children. It is additionally alleged that the actions of the Wichita Police officers resulted in the death of Jerome Dixon.

Analysis: The plaintiff has offered to accept a lump sum payment of \$45,000 as full settlement of all her claims against the police officers and City of Wichita. Due to the uncertainty and risk that the judgment at trial regarding the unlawful detention claims of Ms. Dixon and her minor children, plus a potential award of attorney fees to plaintiff, would exceed this amount, the Law Department recommends acceptance of the offer. The settlement of this suit does not constitute an admission of liability on the part of the City or the officers. Rather, it is merely a settlement to resolve a long disputed claim. The parties specifically agree that the actions of the individual officers in regard to Mr. Dixon were objectively reasonable under the circumstances.

Financial Considerations: Funding for this settlement payment is available from the City's Self Insurance Fund. Finance is directed to make any budget adjustments required and to issue any general obligation bonds, as necessary, to provide for payment of the approved settlement.

Legal Considerations: The Law Department recommends settlement of this claim for the amount of \$45,000. A bonding resolution has been prepared by Bond Counsel and has been approved as to form by the Law Department.

Recommendations/Actions: It is recommended that the City Council authorize payment of \$45,000 as full settlement of all possible claims arising out of the events which are the subject of this claim and adopt the resolution.

Attachments: Resolution

RESOLUTION NO. 13-220

**A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL
OBLIGATION BONDS OF THE CITY OF WICHITA, KANSAS TO
FUND A CIVIL LITIGATION SETTLEMENT.**

WHEREAS, K.S.A. 75-6113 (the "Act") provides that payment of any judgments, compromises or settlements for which a municipality is liable pursuant to K.S.A. 75-6101 *et seq.*, and amendments thereto, may be made from any funds or moneys of the municipality which lawfully may be utilized for such purpose or if the municipality is authorized by law to levy taxes upon property such payment may be made from moneys received from the issuance of no-fund warrants, temporary notes or general obligation bonds, provided that warrants or temporary notes issued shall mature serially at such yearly dates as to be payable by not more than 10 tax levies and any bonds shall be issued in accordance with the provisions of the general bond law and shall be in addition to and not subject to any bonded debt limitation prescribed by any other law of the state of Kansas; and

WHEREAS, the City of Wichita, Kansas (the "City"), is a municipality within the meaning of the Act; and

WHEREAS, the governing body of the City has heretofore approved a certain Settlement Agreement relating to an action currently pending in the United States District Court for the District of Kansas relating to an incident occurring on November 5, 2010, involving Wichita Police Department officers, under which Settlement Agreement the City is liable pursuant to K.S.A. 75-6101 *et seq.* to pay a settlement in the amount of \$45,000 and related expenses (the "Settlement"); and

WHEREAS, the governing body of the City hereby finds and determines it to be necessary to authorize the issuance of general obligation bonds of the City to finance the Settlement and related costs.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:

SECTION 1. Financing. The City is hereby authorized to issue general obligation bonds (the "Bonds") pursuant to the authority of the Act in an amount necessary to pay the costs of the Settlement, plus interest on interim financing and associated financing costs. Bonds may be issued to reimburse Settlement expenditures made on or after the date which is 60 days before the date of adoption of this Resolution, pursuant to Treasury Regulation §1.150-2.

SECTION 2. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the governing body of the City.

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ADOPTED by the City Council of the City of Wichita, Kansas, on November 26, 2013.

(SEAL)

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

APPROVED AS TO FORM:

Gary E. Rebenstorf, Director of Law

**City of Wichita
City Council Meeting
November 26, 2013**

TO: Mayor and City Council

SUBJECT: Payment for Settlement of Claim

INITIATED BY: Law Department

AGENDA: Consent

Recommendation: Authorize payment of \$19,500 as a full settlement for all claims arising out of a bus incident occurring on December 19, 2011.

Background: This claim arises from an incident involving a Wichita Transit bus occurring on December 19, 2011. Claimant alleges that he sustained physical injuries requiring medical treatment when the bus he was a passenger on came to a sudden stop and he was thrown from his seat. He asserts claims for medical expenses and pain and suffering.

Analysis: The claimant has agreed to accept a lump sum payment of \$19,500 as full settlement of all his claims against the City of Wichita. Due to the uncertainty and risk of an adverse judgment at trial, the Law Department recommends the settlement. The settlement of this claim does not constitute an admission of liability on the part of the City or the employee; rather, it is merely a settlement to resolve a disputed claim.

Financial Considerations: Funding for this settlement payment is to be obtained from the Transit budget. Finance is authorized to make any budget adjustments necessary for payment of the settlement and to issue any general obligation bonds, as necessary, to provide for payment of the approved settlement..

Legal Considerations: The Law Department recommends settlement of this claim for the amount of \$19,500. A bonding resolution has been prepared by Bond Counsel and has been approved as to form by the Law Department.

Recommendations/Actions: It is recommended that the City Council authorize payment of \$19,500 as full settlement of all possible claims arising out of the events which are the subject of this claim and adopt the resolution.

Attachments: Resolution

RESOLUTION NO. 13-221

**A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL
OBLIGATION BONDS OF THE CITY OF WICHITA, KANSAS TO
FUND A CIVIL LITIGATION SETTLEMENT.**

WHEREAS, K.S.A. 75-6113 (the "Act") provides that payment of any judgments, compromises or settlements for which a municipality is liable pursuant to K.S.A. 75-6101 *et seq.*, and amendments thereto, may be made from any funds or moneys of the municipality which lawfully may be utilized for such purpose or if the municipality is authorized by law to levy taxes upon property such payment may be made from moneys received from the issuance of no-fund warrants, temporary notes or general obligation bonds, provided that warrants or temporary notes issued shall mature serially at such yearly dates as to be payable by not more than 10 tax levies and any bonds shall be issued in accordance with the provisions of the general bond law and shall be in addition to and not subject to any bonded debt limitation prescribed by any other law of the state of Kansas; and

WHEREAS, the City of Wichita, Kansas (the "City"), is a municipality within the meaning of the Act; and

WHEREAS, the governing body of the City has heretofore approved a certain Settlement Agreement relating to an action currently pending in the 18th Judicial District relating to an incident occurring on December 19, 2011, involving a Wichita Transit bus, under which Settlement Agreement the City is liable pursuant to K.S.A. 75-6101 *et seq.* to pay a settlement in the amount of \$19,500 and related expenses (the "Settlement"); and

WHEREAS, the governing body of the City hereby finds and determines it to be necessary to authorize the issuance of general obligation bonds of the City to finance the Settlement and related costs.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:

SECTION 1. Financing. The City is hereby authorized to issue general obligation bonds (the "Bonds") pursuant to the authority of the Act in an amount necessary to pay the costs of the Settlement, plus interest on interim financing and associated financing costs. Bonds may be issued to reimburse Settlement expenditures made on or after the date which is 60 days before the date of adoption of this Resolution, pursuant to Treasury Regulation §1.150-2.

SECTION 2. Effective Date. This Resolution shall take effect and be in full force from and after its adoption by the governing body of the City.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the City Council of the City of Wichita, Kansas, on November 26, 2013.

(SEAL)

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

APPROVED AS TO FORM:

Gary E. Rebenstorf, Director of Law

City of Wichita
City Council Meeting
November 26, 2013

TO: Mayor and City Council Members

SUBJECT: Selection of Vendor for Computer Hardware

INITIATED BY: IT/IS

AGENDA: Consent

Recommendation: Approve the contract and authorize the necessary signatures.

Background: The City purchases computer hardware, support services and maintenance, PC and monitor removal, and PC accessories and peripherals through a bid process based on each requirement. To secure volume pricing/discounts, staff explored securing a master contract for computer hardware, support services and maintenance, PC and monitor removal, and PC accessories and peripherals in 2000, 2003 and 2007. In 2003, it was determined that splitting the contract into four sections - computer hardware, support services and maintenance, PC and monitor removal, and PC accessories and peripherals - the City of Wichita could attain optimal pricing; each being awarded on its own merit. In February 2008, the IT/IS Department began using student interns to replace the need for support services and maintenance. This provided the City considerable cost savings. In 2013, individual Requests for Proposals (RFPs) were sent out for computer hardware, PC and monitor removal, and PC accessories and peripherals. This agenda report is for the Computer Hardware Contract.

Analysis: A competitive Request for Proposal (RFP) for computer hardware was distributed; and three responses were received for the RFP. A staff screening and selection committee consisting of the IT/IS Interim Help Desk Manager, the IT/IS Help Desk Lead Analyst, two IT/IS Operations Analysts, a Budget Analyst, a representative from Purchasing, a representative from Law, and a representative from the City Manager's Office reviewed and evaluated the proposals based on the criteria set forth in the Request for Proposal.

High Touch, Inc., d/b/a High Touch Technologies' proposal for computer hardware was competitively priced; as a reseller for Dell, the company can ensure same day shipping on most products. Five years of Dell onsite technical support is included, extensive purchasing and technical support are available online as well as by telephone.

Financial Considerations: Computer hardware costs are within departmental operating budgets. An average of \$546,667 has been spent over the last five years for Computer Hardware. An average was used since replacement cycles fluctuate and trend lines suggest a five year average provides the best data.

Legal Considerations: The Law Department has reviewed and approved the contracts as to form. The contracts will be for one year with annual renewal options for an additional two years.

Recommendation/Action: It is recommended that the City Council approve the contracts and authorize the necessary signatures.

Attachments: Contract for computer hardware.

**City of Wichita
City Council Meeting
November 26, 2013**

TO: Mayor and City Council Members

SUBJECT: Selection of Vendor for the Computer Hardware

INITIATED BY: IT/IS

AGENDA: Consent

Recommendation: Approve the contract and authorize the necessary signatures.

Background: The City purchases computer hardware, support services and maintenance, PC and monitor removal, and PC accessories and peripherals through a bid process based on each requirement. To secure volume pricing/discounts, staff explored securing a master contract for computer hardware, support services and Maintenance, PC and monitor removal, and PC accessories and peripherals in 2000, 2003 and 2007. In 2003, it was determined that splitting the contract into four sections - computer hardware, support services and maintenance, PC and monitor removal, and PC accessories and peripherals - the City of Wichita could attain optimal pricing; each being awarded on its own merit. In February 2008, we began using student interns to replace the need for support Services and maintenance. This provided the City considerable cost savings. In 2013, individual Requests for Proposals (RFPs) were sent out for Computer Hardware, PC and Monitor Removal, and PC Accessories and Peripherals. This Agenda Report is for the Computer Hardware Contract.

Analysis: A competitive Request for Proposal (RFP) for computer hardware was posted; and three responses were received for the RFP. A staff screening and selection committee consisting of the IT/IS Interim Help Desk Manager, the IT/IS Help Desk Lead Analyst, two IT/IS Operations Analysts, a Budget Analyst, a Purchasing Analyst, a representative from Law, and a representative from the City Manager's Office reviewed and evaluated the proposals based on the criteria set forth in the Request for Proposal.

Computer Hardware: High Touch, Inc., d/b/a High Touch Technologies' proposal for computer hardware was competitively priced; as a reseller for Dell, the company can ensure same day shipping on most products. Five years of Dell onsite technical support is included, extensive purchasing and technical support are available online as well as by telephone.

Financial Considerations: Computer hardware costs are within departmental operating budgets.

Legal Considerations: The Law Department has reviewed and approved the contracts as to form. The contracts will be for one year with annual renewal options for an additional two years.

Recommendation/Action: It is recommended that the City Council approve the contracts and authorize the necessary signatures.

Attachments: Contract for computer hardware.

**CONTRACT
For
Computer Hardware**

BLANKET PURCHASE ORDER NUMBER BP340096

THIS CONTRACT entered into this **November 26, 2013**, by and between the **CITY OF WICHITA, KANSAS**, a municipal corporation, hereinafter called "**CITY**", and **High Touch, Inc., d/b/a High Touch Technologies**, (Vendor Code Number 808012 -001), whose principal office is at 110 South Main, Wichita, Kansas, 67202, Telephone Number (1-800-326-6059) hereinafter called "**VENDOR**".

WITNESSETH:

WHEREAS, the **CITY** has solicited proposals for **Computer Hardware** (Formal Proposal – FP340043) [Commodity Code Number 93921]; and

WHEREAS, **VENDOR** has submitted the proposal most beneficial to the **CITY** and is ready, willing, and able to provide the commodities and/or services required by the **CITY**.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Scope of Services.** **VENDOR** shall provide to the **CITY** all those commodities and/or services specified in its response to Formal Proposal Number – FP340043, [Commodity Code Number 93921] which is incorporated herein by this reference the same as if it were fully set forth. The proposal package, including all specifications and plans provided by the City of Wichita as part of the proposal letting process for Formal Proposal FP340043, shall be considered a part of this contract and is incorporated by reference herein. Should there be any conflict between/ among the documents, this Contract shall govern.
2. **Compensation.** **CITY** agrees to pay to **VENDOR** for unit price for computer hardware - Formal Proposal – FP340043 [Commodity Code Number 93921] for the Information Technology / Information Services Department as shown below as compensations as per the proposal, plans and specifications and **VENDOR'S** proposal of August 30, 2013 and as approved by the City Council on November 26, 2013.

Title to the goods shall pass upon shipment from **VENDOR'S** dock. Risk of loss shall pass to **CITY** upon delivery.

Billing Terms – Net Thirty (30) Days from receipt of invoice.

3. **Term.** The term of this contract shall be from **November 26, 2013, through October 31, 2014**, with options to renew the contract under the same terms and conditions for two (2) successive one (1) year terms by mutual agreement of the parties. This contract is subject to cancellation by the **CITY**, at its discretion at any time within the original contract term or within any successive renewal, upon thirty (30) days written notice to **VENDOR**.
4. **Warranties; Limitation of Liability**

VENDOR warrants that (i) all services will be provided to **CITY** in a workmanlike manner consistent with industry standards; and (ii) **VENDOR** will assign to **CITY** any applicable manufacturer's warranties for products sold to **CITY**. **CITY'S** sole and exclusive remedy for any breach of the foregoing warranty will be **VENDOR'S** re-performance of the services. EXCEPT AS EXPRESSLY SET FORTH HEREIN, **VENDOR** MAKES NO WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY REGARDING OR RELATING TO THE QUALITY OR EFFECTIVENESS OF THE SERVICES OR THE PRODUCTS SOLD TO **CITY** INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL THE **VENDOR** BE LIABLE FOR ANY LOST PROFITS, LOSS OF USE OR DATA, BUSINESS INTERRUPTION, COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, OR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS CONTRACT OR THE USE OF THE SERVICES OR PRODUCTS PURCHASED BY THE **CITY** HEREUNDER, WHETHER ALLEGED AS A BREACH OF CONTRACT OR TORTIOUS CONDUCT, INCLUDING STRICT LIABILITY NEGLIGENCE.
5. **Independent Contractor.** The relationship of the **VENDOR** to the **CITY** will be that of an independent contractor. No employee or agent of the **VENDOR** shall be considered an employee of the **CITY**.
6. **Compliance with Laws.** **VENDOR** shall comply with all laws, statutes and ordinances which may pertain to the providing of services under this Contract.
7. **No Assignment.** The services to be provided by the **VENDOR** under this Contract are personal and cannot be assigned, sublet or transferred without the specific written consent of the **CITY**.
8. **Non-Discrimination.** **VENDOR** shall comply with all applicable requirements of the City of Wichita Revised Non-Discrimination and Equal Employment /Affirmative Action Program Requirements Statement for Contracts or Agreements attached hereto as Exhibit A.
9. **Third Party Rights.** It is specifically agreed between the parties that it is not intended by any of the provisions of any part of this Contract to create the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not

a party to this Contract to maintain a suit for damages pursuant to the terms or provisions of this Contract.

10. **No Arbitration.** The Contractor and the City shall not be obligated to resolve any claim or dispute related to the Contract by arbitration. Any reference to arbitration in proposal or proposal documents is deemed void.
11. **Governing Law.** This contract shall be interpreted according to the laws of the State of Kansas.
12. **Representative's Authority to Contract.** By signing this contract, the representative of the contractor or vendor represents the he or she is duly authorized by the contractor or vendor to execute this contract, and that the contractor or vendor has agreed to be bound by all its provisions.

IN WITNESS WHEREOF, the parties have set their hands the day and year first above written.

ATTEST:

CITY OF WICHITA, KANSAS

Janis Edwards
Deputy City Clerk

Carl G. Brewer
Mayor

APPROVED AS TO FORM:

HIGH TOUCH, INC.

Gary E. Rebenstorf
Gary E. Rebenstorf
Director of Law

Jean Mock
Signature

Jean Mock
Print Name

VP, Managed Services
Title (President or Corporate Officer)

EXHIBIT A

REVISED NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION PROGRAM REQUIREMENTS STATEMENT FOR CONTRACTS OR AGREEMENTS

During the term of this contract, the contractor or subcontractor, vendor or supplier of the City, by whatever term identified herein, shall comply with the following
Non-Discrimination--Equal Employment Opportunity/Affirmative Action Program
Requirements:

- A. During the performance of this contract, the contractor, subcontractor, vendor or supplier of the City, or any of its agencies, shall comply with all the provisions of the Civil Rights Act of 1964, as amended: The Equal Employment Opportunity Act of 1972; Presidential Executive Orders 11246, 11375, 11131; Part 60 of Title 41 of the Code of Federal Regulations; the Age Discrimination in Employment Act of 1967; the Americans with Disabilities Act of 1990 and laws, regulations or amendments as may be promulgated there under.
- B. Requirements of the State of Kansas:
 - 1. The contractor shall observe the provisions of the Kansas Act against Discrimination (Kansas Statutes Annotated 44-1001, et seq.) and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, and age except where age is a bona fide occupational qualification, national origin or ancestry;
 - 2. In all solicitations or advertisements for employees, the contractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase to be approved by the "Kansas Human Rights Commission";
 - 3. If the contractor fails to comply with the manner in which the contractor reports to the "Kansas Human Rights Commission" in accordance with the provisions of K.S.A. 1976 Supp. 44-1031, as amended, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;
 - 4. If the contractor is found guilty of a violation of the Kansas Act against Discrimination under a decision or order of the "Kansas Human Rights Commission" which has become final, the contractor shall be deemed to have breached the present contract, and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

5. The contractor shall include the provisions of Paragraphs 1 through 4 inclusive, of this Subsection B, in every subcontract or purchase so that such provisions will be binding upon such subcontractor or vendor.
- C. Requirements of the City of Wichita, Kansas, relating to Non-Discrimination -- Equal Employment Opportunity/Affirmative Action Program Requirements:
1. The vendor, supplier, contractor or subcontractor shall practice Non-Discrimination -- Equal Employment Opportunity in all employment relations, including but not limited to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The vendor, supplier, contractor or subcontractor shall submit an Equal Employment Opportunity or Affirmative Action Program, when required, to the Department of Finance of the City of Wichita, Kansas, in accordance with the guidelines established for review and evaluation;
 2. The vendor, supplier, contractor or subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the vendor, supplier, contractor or subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, "disability, and age except where age is a bona fide occupational qualification", national origin or ancestry. In all solicitations or advertisements for employees the vendor, supplier, contractor or subcontractor shall include the phrase, "Equal Opportunity Employer", or a similar phrase;
 3. The vendor, supplier, contractor or subcontractor will furnish all information and reports required by the Department of Finance of said City for the purpose of investigation to ascertain compliance with Non-Discrimination -- Equal Employment Opportunity Requirements. If the vendor, supplier, contractor, or subcontractor fails to comply with the manner in which he/she or it reports to the City in accordance with the provisions hereof, the vendor, supplier, contractor or subcontractor shall be deemed to have breached the present contract, purchase order or agreement and it may be canceled, terminated or suspended in whole or in part by the City or its agency; and further Civil Rights complaints, or investigations may be referred to the State;
 4. The vendor, supplier, contractor or subcontractor shall include the provisions of Subsections 1 through 3 inclusive, of this present section in every subcontract, subpurchase order or subagreement so that such provisions will be binding upon each subcontractor, subvendor or subsupplier.

5. If the contractor fails to comply with the manner in which the contractor reports to the Department of Finance as stated above, the contractor shall be deemed to have breached this contract and it may be canceled, terminated or suspended in whole or in part by the contracting agency;

D. Exempted from these requirements are:

1. Those contractors, subcontractors, vendors or suppliers who have less than four (4) employees, whose contracts, purchase orders or agreements cumulatively total less than five thousand dollars (\$5,000) during the fiscal year of said City are exempt from any further Equal Employment Opportunity or Affirmative Action Program submittal.
2. Those vendors, suppliers, contractors or subcontractors who have already complied with the provisions set forth in this section by reason of holding a contract with the Federal government or contract involving Federal funds; provided that such contractor, subcontractor, vendor or supplier provides written notification of a compliance review and determination of an acceptable compliance posture within a preceding forty-five (45) day period from the Federal agency involved.

**City of Wichita
City Council Meeting
November 26, 2013**

TO: Mayor and City Council

SUBJECT: Pooled Funds Investment Policy

INITIATED BY: Department of Finance

AGENDA: Consent

Recommendation: Approve the Pooled Funds Investment Policy.

Background: Investment activities are performed in accordance with State law, City Ordinance and the Pooled Funds Investment Policy, which was most recently approved by the City Council in November 2012. Under the provisions of K.S.A. 12-1677b, the City of Wichita holds expanded investment authority granted by the State Pooled Money Investment Board (PMIB) allowing the City to purchase certain Federal agency securities and extend investment maturities from two to four years.

The City's investment portfolio averages \$364 million with investment purchases and maturities totaling \$1.6 billion annually.

As outlined in the Investment Policy, primary objectives of the City's investment activities are as follows in order of priority:

1. Safety of principal;
2. Liquidity to meet cash flow requirements; and
3. Achieving a rate of return to provide maximum earnings consistent with the higher priorities of safety and liquidity.

Analysis: In compliance with K.S.A. 12-1677b, information regarding the City's Pooled Funds investment portfolio and the investment policy must be submitted annually to the PMIB for review and approval of continued expanded investment authority. In 2012, the PMIB imposed a requirement for each entity seeking expanded powers to have their investment policy approved by the governing body on an annual basis.

The Pooled Funds Investment Policy has been updated and revised to reflect changes in the composition of the Pooled Investment Committee due to restructuring within the Finance Department that occurred in 2013. Following approval by the City Council, the Pooled Funds Investment Policy will be submitted to the PMIB on or before November 30, 2013 for consideration and approval in connection with its annual review of the City's expanded investment authority at the January 2014 PMIB meeting.

The Pooled Funds Investment Policy will also be submitted for review and certification by the Association of Public Treasurers of the United States and Canada (APT US&C). The City's Pooled Funds Investment Policy was most recently awarded the Certification of Excellence Award in July 2011, and no comments or suggestions for improvement were received as a result of this review. Critical elements of the APT US&C review pertain to: liquidity, selection and review of suitable investment instruments, internal controls, reporting, portfolio diversification, custody and safekeeping, criteria for selection of investment institutions, ethics and conflicts of interest.

The City of Wichita is one of nearly 30 governments to have its investment policy certified by the APT US&C's Investment Policy Certification Program. Of the policies received each year for review, only two-thirds are accepted on their first submission.

Financial Considerations: None.

Legal Considerations: The Pooled Funds Investment Policy has been reviewed and approved as to form by the Law Department.

Recommendations/Actions: It is recommended that the City Council approve the City of Wichita Pooled Funds Investment Policy.

Attachments: City of Wichita Pooled Funds Investment Policy
City of Wichita Pooled Funds Investment Policy (delineated version)

Pooled Funds Investment Policy

For The



Department of Finance

November 2013

Council Approved: September 1991
Revised: May 1993, Resolution R-93-235
Revised: February 1995, Resolution R-95-076
April 1995: Municipal Treasurer's Association Certification of Excellence
Revised: August 1995, Resolution R-95-396
State Pooled Money Investment Board Expanded Authority Approval, Sept. 19, 1995
Revised: October, 1996, Resolution R-96-406
Revised: December 2001
August 2002: Association of Public Treasurers Certification of Excellence
City Council Approved: December 2005
August 2008: Association of Public Treasurers Certification of Excellence
Revised: December 2008, City Council Approved December 2008
Revised: October 2009, City Council Approved December 2009
Revised: November 2012, City Council Approved November 2012
Revised: November 2013, City Council Approved November 2013

CITY OF WICHITA, KANSAS

Pooled Funds Investment Policy

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CITY OF WICHITA, KANSAS
POOLED FUNDS INVESTMENT POLICY

I. Policy

It is the policy of the City of Wichita that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with legal and administrative guidelines and, to the maximum extent possible, at the highest rates obtainable at the time of investment, while meeting the daily cash flow demands of the City of Wichita. This policy is intended to establish principles and basic procedural guidelines for the City's investments and management of such funds.

II. Scope

This investment policy applies to all financial resources of the City of Wichita, other than funds of the pension trust held by the Pension Boards' custodian, the cemetery permanent fund, the special assessment advance payments agency fund, and such funds excluded by law, bond indenture or other Council-approved covenants which are covered in separate investment policies.

The City of Wichita maintains a pooled funds investment strategy. The intent of the pooled investment strategy is to optimize revenue through the pursuit of effective cash management, thereby providing basic liquidity while taking advantage of longer investment horizons. Pooled funds are accounted for by the City's Department of Finance and the Controller's Office, as represented in the City of Wichita Comprehensive Annual Financial Report and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds (unless prohibited by bond indentures)
- Capital Projects Funds
- Enterprise Funds
- Internal Service Funds
- Fiduciary Funds
- Any new fund created, unless exempted by the City Council

The City Treasurer's Office maintains the accounting for investment transactions representing the total pooled funds portfolio.

III. Objectives

The City's pooled investment portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law. The primary objectives, in priority order of the City's investment activities, shall be as follows:

A. Safety of Principal

Safety of principal is the foremost objective of the investment program. Investments of the City of Wichita shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio, while mitigating credit and interest rate risk.

Credit Risk

The City will minimize credit risk, which is the risk of loss associated with the failure of a security issuer or broker, by:

1. Limiting investments to the safest types of securities.
2. Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers with which the City will do business.
3. Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Interest Rate Risk

The City of Wichita will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

1. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
2. Investing funds primarily in shorter-term securities.
3. Diversifying investments by investing among a variety of securities offering independent returns.

B. Liquidity

The City of Wichita pooled investment portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. A portion of the portfolio may be placed in investments which offer one-day liquidity for short-term funds, such as repurchase agreements or the Kansas Municipal Investment Pool.

C. Return on Investments

The City of Wichita pooled investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, taking into consideration investment risk constraints and the cash flow characteristics of the portfolio. Return on investments is of secondary importance, compared to the safety and liquidity objectives described above.

IV. Authority

In accordance with Chapter 2.18 of the City Code, the City Manager is directed to arrange for the investment of funds not needed for current obligations and the Director of Finance has management responsibility for the investment program. The Director shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.

No person may engage in an investment transaction for the City of Wichita, except as provided under the terms of this policy and the procedures established by the Director. The Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The investment policy adopted by the City of Wichita shall apply uniformly to all officials, employees, departments, agencies, boards, commissions, representatives and authorized agents in the performance of their official duties and to the processing and management of all investment transactions of the City's pooled funds portfolio. All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transactions that might impair public confidence in the effectiveness of the government of the City of Wichita.

V. Prudence

Investment officials acting pursuant to this policy shall be subject to the “prudent investor rule”, as set forth in the Uniform Prudent Investors Act, K.S.A. 58-24a01 *et seq.* and amendments thereto that shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The investment officers, when adhering to written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided any deviations from expectations are reported to management in a timely manner and any necessary action is taken to control adverse consequences to the City.

VI. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager and City Attorney any material financial interests in financial institutions that conduct business with the City of Wichita, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales.

VII. Pooled Investment Committee

The City of Wichita shall establish a Pooled Investment Committee to review and provide oversight regarding administration of the investment policy. The investment committee shall meet not less than annually and shall consist of the following members:

- Director of Finance
- Budget Officer
- City Treasurer
- Controller
- Cash Manager
- Other appointees, as designated by the Director of Finance

The Investment Committee shall review investment policies and procedures for compliance and adopt revisions to the Investment Operating Guidelines. Minutes of the committee meetings shall be available for review by both the internal and external auditors.

VIII. Internal Controls

In the development of the system of internal controls, consideration shall be given to documentation of strategies and transactions, techniques for avoiding collusion, separation of functions, delegation of authority and limitations of action, custodial safekeeping, and avoidance of bearer-form securities.

The internal control framework and compliance with investment policies and procedures shall be reviewed in connection with the annual audit of the City's financial statements performed by an independent certified public accounting firm.

IX. Management Fees

To support the costs of managing the City's investment pool, the Director of Finance is authorized, upon approval by the City Manager, to assess a management fee to the funds. This management fee shall be deducted from interest earnings before allocation to the funds. The management fee shall be established to cover all costs involved in managing the investment operations. The current pooled investment management fee is established in the Investment Operating Guidelines.

X. Investment Earnings

An aggressive cash management and investment strategy shall be pursued to take advantage of investment earnings as a viable and material revenue source to operating and capital funds. Although interest income is included as a revenue source in the City budget, the investment policy and program is not administered to meet specific budgetary requirements or goals.

All moneys earned and collected from investments authorized in this policy shall be credited or charged to the appropriate funds/projects of the City, as determined by the cash position of each fund/project and in accordance with the budget as adopted by the City Council or otherwise directed by law. It is unlawful for the City to create indebtedness (borrow) in excess of the amount of funds actually on hand in the treasury, except for the following cases:

- A. payment has been authorized by a vote of the electors of the municipality;
- B. provision has been made for payment by the issuance of bonds or temporary notes - including all capital projects (general, special assessment, and enterprise fund types);
- C. provision has been made for payment by the issuance of no-fund warrants;
- D. provision has been made for a revolving fund for the operation of any municipal airport financed and sustained partially or wholly by fees, rentals, proceeds from the sale of merchandise or charges for rendering services, received from the users of such airport;
- E. provision has been made for payment pursuant to a service agreement entered into pursuant to K.S.A. 12-5503 (a municipality may enter into a service agreement for a term not to exceed 30 years).

XI. Authorized Investments

The investments authorized under this policy shall be in accordance with K.S.A. 12-1675, K.S.A. 12-1677b and any other applicable statutes or ordinances and amendments thereto. The following list represents the types of investments that the City will consider and shall be authorized to invest in.

- United States Treasury and Agency Securities: The City may invest in obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of United States sponsored enterprises which under federal law may be accepted as security for public funds, except that none of the City's funds may be invested in mortgage-backed securities.
- Repurchase Agreements (Repo): The City may invest in repurchase agreements with banks, savings and loan associations and savings banks which have main or branch offices located in the city of Wichita, or with a primary government securities dealer which reports to the market reports division of the Federal Reserve Bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations and securities of United States government sponsored enterprises which under federal law may be accepted as security for public funds. Such repurchase agreements may be made only with institutions that have entered into fully executed master repurchase agreements on file with the City. The market value of the securities underlying any repurchase agreement shall be maintained with a market value of at least 105% of the amount of the repurchase agreement. If the market value of the securities falls below 105% of the amount of the repurchase agreement, additional securities shall be required to attain full security.
- Collateralized Public Deposits (Certificates of Deposit): The City may invest in instruments issued by any bank, savings and local associations and savings banks which have main or branch offices located within the city of Wichita stating specified sums have been deposited for specified periods and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as dictated by state statute and further restricted by this investment policy. The maximum dollar amount invested in Certificates of Deposit in any one bank shall never exceed four percent (4%) of the pooled funds portfolio. Interest will be calculated on a 365-day year/actual day month basis, or another method approved by the Director of Finance or designee in writing.
- Temporary Notes or No-Fund Warrants: The City may invest in temporary notes or no-fund warrants issued by the City of Wichita.
- State Municipal Investment Pool: The City may invest in a pool of funds that is managed by and under the authority of the Pooled Money Investment Board established by K.S.A. 12-1677a and amendments thereto.
- Multiple Municipal Client Investment Pools: The City may invest with trust departments of banks which have main or branch offices located in Sedgwick County, or with trust companies incorporated under the laws of the Kansas which have contracted to provide trust services under the provisions of K.S.A. 9-2107, and amendments thereto, with banks which have main or branch offices located in Sedgwick County. These accounts will be secured as provided for under K.S.A. 9-1402 and amendments thereto. Authorized investments in these pools will be subject to the same terms, conditions and limitations as are applicable to the State Municipal Investment Pool established by K.S.A. 12-1677a and amendments thereto.

It is the practice of the City of Wichita to retain expanded investment authority under K.S.A. 12-1677b. Expanded investment authority authorizes the City to extend maturities from two years to four years and allows the City to further diversify the portfolio by investing in government agency securities. The authorized investments and maturity structure defined in this policy are contingent on the City's ability to retain expanded investment powers.

XII. Investment Parameters

A. Diversification

It is the policy of the City of Wichita to diversify its investment portfolio by security type and institution to reduce overall portfolio risk, protect from material losses due to issuer defaults, market pricing changes, technical complications leading to temporary lack of liquidity, or other risks resulting from an over-concentration of assets in a specific maturity sector, a specific issuer, or a specific class of securities. Investments shall be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- Limiting investment in securities that have higher credit risks;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily available funds, such as the Kansas Municipal Investment Pool, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the City's pooled funds portfolio:

	Minimum	Maximum
<i>Instrument</i>		
Demand Deposit / Repurchase Agreements	-	5%
Kansas Municipal Investment Pool	-	15%
Certificates of Deposit	-	100%
Temporary Notes	-	10%
Treasury Securities	-	100%
U.S. Agency Bullet/Discount Securities	-	95%
Bullet/Discount	-	95%
Agency Callable	-	30%
Agency Floater	-	10%
<i>Concentration</i>		
Maximum CD's of one issuer to total portfolio		4%
Maximum single agency issuer to total portfolio		40%
<i>Maturity</i>		
Less than 6 months	25%	65%
6 months to 12 months	15%	50%
1 year to 4 years	10%	60%
Weighted Average Maturity (days)	125	400
Modified Duration (years)	.3	1.4

To allow efficient and effective placement of proceeds from bond sales and County tax distributions, the limit on repurchase agreements and State MIP deposits may be exceeded up to fifty percent (50%) for a maximum of ten days following receipt of proceeds during adverse market conditions. To allow for investment maturity timing prior to bond payment dates, the limit on repurchase agreements and State MIP deposits may be exceeded up to the amount of the bond payment for a maximum of five days prior to a bond payment date.

B. Maximum Maturities

Investment maturities shall be scheduled in consideration with projected cash flow needs, taking into consideration large routine expenditures, as well as sizeable blocks of anticipated revenue. Maximum maturities for investment of funds under this policy shall be in accordance with K.S.A. 12-1675, K.S.A. 12-1677b, and any other applicable statutes or ordinances and amendments thereto. Maximum maturities by investment type are established as follows:

Type of Investment	Maximum Maturity
U.S. Treasury and Agency Securities	Four (4) years
Repurchase Agreements	Four (4) years
Collateralized Public Deposits (CDs)	Four (4) years
Temporary Notes/No-Fund Warrants	One (1) year
State Municipal Investment Pool	Two (2) years
Multiple Municipal Client Pools	Two (2) years

The sale of securities prior to maturity shall require the prior approval of the Director of Finance based on the following reasons:

- A security with declining credit may be sold prior to maturity to minimize the loss of principal.
- A security swap to improve the quality, yield, or target maturity of the portfolio.
- Liquidity needs requiring that a selected security be sold.

In the event of an unforeseen liquidity crisis, the current holdings of the portfolio shall be reviewed by the City Treasurer to determine particular investment securities suitable for sale prior to maturity, taking into consideration existing future cash flow requirements, to minimize potential losses. Securities identified for liquidation shall be approved by the Director of Finance prior to sale.

XIII. External Investment Pools

Prior to investing in any externally managed pool, including the State Municipal Investment Pool or Multiple Municipal Client Investment Pools, the City shall conduct a thorough investigation of the pool's operations. The following information regarding the management of the pool shall be maintained on file in the City Treasurer's Office and updated annually:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations, interest distribution methods, and treatment of losses.
- A description of how the securities are safeguarded (including the settlement processes), and how often securities are priced and the program is audited.
- A description of who may invest in the program, how often, and minimum and maximum amounts for deposit and withdrawals.
- A schedule for receiving statements and portfolio listings.
- A review of the pool's usage of reserves and retained earnings.
- A fee schedule, including when and how fees are assessed.
- Determination of whether the pool is eligible for deposits of bond proceeds.

XIV. Derivatives

Derivatives, defined as securities whose value relies on or is derived from an underlying security or index, are not authorized investments for the pooled funds portfolio. Exceptions to this policy statement are the following securities:

- U.S. Treasury Strips
- U.S. Treasury or Agency callable securities
- U.S. Treasury or Agency floating rate securities

These securities will meet all other policies and guidelines. Leveraging of the portfolio is strictly prohibited.

XV. Performance Standards and Reporting

The investment portfolio shall be designed with the objective of obtaining a benchmark return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs. The benchmark for the portfolio consists of the average return on the three-month U.S. Treasury Bill. This index is considered the benchmark for investment transactions with minimum risk and, therefore, is a minimum standard for the portfolio rate of return.

Following the primary objective of preservation of capital, the investment portfolio shall be actively managed to take advantage of market opportunities. In so doing, negotiable securities may be sold prior to their maturity to provide liquid funds as needed for cash flow purposes, to enhance portfolio returns, or to restructure maturities to increase yield and/or decrease risk. In practice, however, it is generally a hold to maturity portfolio.

Performance Evaluation Methodology

The value of the pooled investment portfolio's holdings shall be calculated and reported in three ways: market value, par value and amortized cost.

The earnings of the pooled funds portfolio shall be calculated and reported based on generally accepted accounting principles for pooled funds investments of local government units.

The yield on the pooled funds portfolio shall be calculated and reported as the yield to maturity. This calculation takes into account the face value (par), price paid, coupon rate and time to maturity.

Investment Reporting and Performance Analysis

Investment performance is continually monitored and evaluated by the Cash Manager and the City Treasurer using investment strategies developed by the Pooled Investment Committee and this policy, in conjunction with the Pooled Funds Investment Operating Guidelines. The Cash Manager generates monthly investment performance statistics and activity reports. The Director of Finance will provide summary information to the City Manager and the City Council as part of the Quarterly Financial Report.

The Cash Manager and City Treasurer shall prepare monthly, quarterly, and annual reports summarizing and supporting the investment activity for the prior period. Additional comparative performance reviews will be conducted, as the Pooled Investment Committee deems necessary. The Pooled Investment Committee shall be responsible for developing specific reporting guidelines, detailed in the Pooled Funds Investment Operating Guidelines.

The pooled funds investment portfolio will be reviewed annually by the external auditors for compliance with these policies and generally accepted accounting principles.

XVI. Collateralization

A. Initial Placement

Moneys to be deposited in financial institutions shall not be released until the financial institution's board has executed the required Collateral and Custodial Agreements.

Deposits in depository institutions doing business with the City of Wichita shall be fully collateralized at all times. Acceptable collateral for City deposits is listed below as provided in K.S.A. 9-1402. The City does not accept all forms of collateral authorized by Statute. Only the types listed below are acceptable collateral to the City of Wichita.

Collateral shall be priced on a market value basis. The aggregate market value of the collateral must be sufficient to equal the outstanding amount of City funds deposited, plus accrued interest thereon, less federal deposit insurance coverage. The depository bank shall ensure that deposits and accrued interest are always sufficiently collateralized. Sufficiency of collateral values will be validated by the City Treasurer's Office.

If a depository bank fails to meet requirements established by the City, the depository bank shall be required to close the account and return to the City all principal and accrued interest without penalty.

B. Collateral Requirements

Financial institutions may pledge or assign for the City's benefit sufficient securities, the market value of which is at least 105% of the total deposits. Peak period collateral agreements permitted under K.S.A. 9-1403 and mortgages as contemplated by K.S.A. 9-1402 are not to be accepted by the City of Wichita. The allowable securities and forms of collateral acceptable to the City are limited to:

1. Direct obligations of, or obligations insured by, the U.S. government or any agency thereof.
2. Obligations and securities of U.S. sponsored corporations, which under federal law, may be accepted as security for public funds.

3. Bonds of any Kansas municipality, which has been refunded and is secured by U.S. obligations.
4. Bonds of the State of Kansas.
5. General obligation bonds of any Kansas municipality.
6. Revenue bonds of any Kansas municipality, if they meet approval by the State Banking (or Savings and Loan) Commissioner.
7. General obligation temporary notes of any Kansas municipality.
8. No-fund warrants of any Kansas municipality.
9. Certain Kansas municipality sponsored revenue bonds rated Aa or higher by Moody's Investors Service or AA by Standard & Poor's Corp.
10. Commercial paper that does not exceed 270 days to maturity and that has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.
11. Corporate surety bonds approved by the Kansas Commissioner of Insurance and in the standard format acceptable to the City of Wichita, as follows:
 - a. The issuer of the surety bond shall be admitted and licensed to issue surety bonds in Kansas.
 - b. The City of Wichita shall be designated as the insured public depositor.
 - c. The issuer and the depository bank are required to notify the City of Wichita by certified or registered mail no fewer than 90 days prior to non-renewal and no fewer than 45 days prior to a bond's cancellation.
 - d. The claims-paying ability of the issuer must be rated and remain rated in the highest rating category of one of the nationally recognized rating agencies ("A++" or "A+" from A.M. Best Company or "AAA" from Standard and Poor's). Within 48 hours of discovery of a downgrade by a rating agency or notice of financial regulatory action by any jurisdiction in which the issuer is licensed, notice must be given to the City Treasurer by the issuer in the form of certified or registered mail.
 - e. No more than \$5 million per depository bank or an aggregate of \$20 million for all depository banks can be collateralized in the form of surety bonds.
 - f. The issuer is required to send quarterly reports to the Office of the City Treasurer listing all depository banks that have purchased a surety bond for deposits, the insured amount covering deposits of the City of Wichita, and the total insured amount per depository bank in Sedgwick County.
12. A personal bond in an amount, which is double the amount on deposit.
13. A letter of credit (LOC) issued by a U.S. sponsored enterprise that under federal law may be accepted as security for public funds, subject to the following:
 - a. The letter of credit (LOC) must be in the format acceptable to the City of Wichita.
 - b. The City of Wichita must be designated as the irrevocable and unconditional beneficiary of the letter of credit.
 - c. The issuer and the depository bank must notify the City Treasurer by certified or registered mail at least 45 days prior to cancellation or the non-renewal of a letter of credit.
 - d. The issuer may not provide letters of credit for any one depository bank in an amount, which exceeds ten percent of the issuer's capital and surplus.

XVII. Competitive Selection of Investment Instruments

As outlined by K.S.A. 12-1675 and amendments thereto, the City's public funds must first be offered to banks, savings and loan associations and savings banks within the city of Wichita. The City will accomplish this by sending written letters to all local financial institutions on a quarterly basis directing them to contact the City Treasurer or Cash Manager if they are interested in submitting offers on City investments. A notice will also be posted on the City's website providing instructions for local institutions desiring to make offers on investments for City funds. Those institutions who indicate a willingness to bid on the City's investments will be placed on a list so that the City may contact them when funds are available for investment.

The Treasurer will include a letter to the Pooled Money Investment Board with the annual application for expanded powers certifying compliance with subsection (c) of K.S.A. 12-1675 which includes a listing of the local financial institutions from which the City requested bids on City investments.

Should the offered rate from local institutions not equal or exceed the "investment rate" as defined by K.S.A. 12-1675a, the City may solicit offers for investments in the State's investment pool or through brokers and dealers.

Each security transaction, other than directly issued instruments, securities in syndicate or specially bid or offered securities, shall be executed through a competitive process involving solicitation of bids or offers from qualified institutions. When purchasing a security, the offer that provides the highest anticipated current and future rate of return and meets the investment objectives of the portfolio shall be accepted. When selling a security, the bid that generates the highest sales price shall be accepted.

XVIII. Staff Qualifications

To establish and implement cash management practices for the City, the City Manager shall establish the position of City Treasurer and Cash Manager within the Department of Finance. The City Manager, Director of Finance and City Treasurer shall adopt and implement procedures and practices for the efficient cash management of all funds held by or belonging to the City of Wichita.

The position of City Treasurer is appointed by the City Manager upon recommendation of the Director of Finance and is responsible for planning, directing and managing the investment programs of the City as outlined by the City of Wichita Pooled Funds Investment Policy and Operating Guidelines. The City Treasurer shall have at least five years experience in investment management, managing banking relationships and/or cash management. Such appointee shall meet the criteria defined by the Personnel Classification Manual included in the exhibits of the Pooled Funds Investment Operating Guidelines.

XIX. Bond of Treasurer

In accordance with K.S.A. 13-526a and Section 2.16.020 of the City Code, the City Treasurer shall furnish a corporate surety bond in the principal sum of one hundred thousand dollars conditioned that he/she will account for all moneys belonging to the City and will faithfully perform the office of Treasurer of the City. Such bond shall be approved by the City Attorney before acceptance and filed with the City Clerk.

XX. Brokers and Dealers

Investment transactions shall only be conducted with qualified institutions, i.e., banks, savings and loan associations and savings banks, the Federal Reserve Bank of Kansas City, Missouri, or with primary government securities dealers which report to the market report division of the Federal Reserve Bank of New York, or any broker-dealer which is registered in compliance with Section 15C of the Securities Exchange Act of 1934 and registered pursuant to K.S.A. 17-1254, and amendments thereto.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements.
- Proof of National Association of Securities Dealers (NASD) certification.
- Proof of State Registration.
- Completed broker/dealer questionnaire.
- Business resume of individual assigned to the City's account.
- Certification of having read and understood and agreeing to comply with the City of Wichita's investment policy.

A list will be maintained of approved security broker/dealers selected by credit worthiness and experience. Approved broker/dealers shall have a minimum capital requirement of \$10,000,000 and at least five years of operation. This may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the City Treasurer.

XXI. Safekeeping and Custody

All security transactions entered into by the City of Wichita shall be conducted on a delivery versus payment basis. Securities will be held by either the Federal Reserve Bank or a third-party custodian, designated by the City of Wichita and evidenced by safekeeping receipts.

XXII. Separate Provisions of Policy and Conflicts with Kansas Law

The above policies shall be approved at least annually by the governing body and shall remain in full force and effect until revoked by the Wichita City Council. If after adoption of this policy, should there exist any conflict of this policy with Kansas laws and/or statutes, current law shall dictate.

APPROVED by the Governing Body of the City of Wichita, Kansas, on November 26, 2013.

CITY OF WICHITA, KANSAS

(Seal)

By _____
Carl Brewer, Mayor

Attest:

By _____
Karen Sublett, City Clerk

Approved as to form:

By _____
Gary E. Rebenstorf, City Attorney

Pooled Funds Investment Policy

For The



Department of Finance

December 2013

Council Approved: September 1991
Revised: May 1993, Resolution R-93-235
Revised: February 1995, Resolution R-95-076
April 1995: Municipal Treasurer's Association Certification of Excellence
Revised: August 1995, Resolution R-95-396
State Pooled Money Investment Board Expanded Authority Approval, Sept. 19, 1995
Revised: October, 1996, Resolution R-96-406
Revised: December 2001
August 2002: Association of Public Treasurers Certification of Excellence
City Council Approved: December 2005
August 2008: Association of Public Treasurers Certification of Excellence
Revised: December 2008, City Council Approved December 2008
Revised: October 2009, City Council Approved December 2009
Revised: November 2012, City Council Approved November 2012
Revised: November 2013, City Council Approved November 2013

CITY OF WICHITA, KANSAS

Pooled Funds Investment Policy

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CITY OF WICHITA, KANSAS

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The City of Wichita will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

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3. Diversifying investments by investing among a variety of securities offering independent returns.

B. Liquidity

The City of Wichita pooled investment portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. A portion of the portfolio may be placed in investments which offer one-day liquidity for short-term funds, such as repurchase agreements or the Kansas Municipal Investment Pool.

C. Return on Investments

The City of Wichita pooled investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, taking into consideration investment risk constraints and the cash flow characteristics of the portfolio. Return on investments is of secondary importance, compared to the safety and liquidity objectives described above.

IV. Authority

In accordance with Chapter 2.18 of the City Code, the City Manager is directed to arrange for the investment of funds not needed for current obligations and the Director of Finance has management responsibility for the investment program. The Director shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.

No person may engage in an investment transaction for the City of Wichita, except as provided under the terms of this policy and the procedures established by the Director. The Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The investment policy adopted by the City of Wichita shall apply uniformly to all officials, employees, departments, agencies, boards, commissions, representatives and authorized agents in the performance of their official duties and to the processing and management of all investment transactions of the City's pooled funds portfolio. All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transactions that might impair public confidence in the effectiveness of the government of the City of Wichita.

V. Prudence

Investment officials acting pursuant to this policy shall be subject to the “prudent investor rule”, as set forth in the Uniform Prudent Investors Act, K.S.A. 58-24a01 *et seq.* and amendments thereto that shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The investment officers, when adhering to written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided any deviations from expectations are reported to management in a timely manner and any necessary action is taken to control adverse consequences to the City.

VI. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager and City Attorney any material financial interests in financial institutions that conduct business with the City of Wichita, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales.

VII. Pooled Investment Committee

The City of Wichita shall establish a Pooled Investment Committee to review and provide oversight regarding administration of the investment policy. The investment committee shall meet not less than annually and shall consist of the following members:

- Director of Finance
- Budget Officer
- City Treasurer
- Controller
- Cash Manager
- Other appointees, as designated by the Director of Finance

The Investment Committee shall review investment policies and procedures for compliance and adopt revisions to the Investment Operating Guidelines. Minutes of the committee meetings shall be available for review by both the internal and external auditors.

VIII. Internal Controls

In the development of the system of internal controls, consideration shall be given to documentation of strategies and transactions, techniques for avoiding collusion, separation of functions, delegation of authority and limitations of action, custodial safekeeping, and avoidance of bearer-form securities.

The internal control framework and compliance with investment policies and procedures shall be reviewed in connection with the annual audit of the City's financial statements performed by an independent certified public accounting firm.

IX. Management Fees

To support the costs of managing the City's investment pool, the Director of Finance is authorized, upon approval by the City Manager, to assess a management fee to the funds. This management fee shall be deducted from interest earnings before allocation to the funds. The management fee shall be established to cover all costs involved in managing the investment operations. The current pooled investment management fee is established in the Investment Operating Guidelines.

X. Investment Earnings

An aggressive cash management and investment strategy shall be pursued to take advantage of investment earnings as a viable and material revenue source to operating and capital funds. Although interest income is included as a revenue source in the City budget, the investment policy and program is not administered to meet specific budgetary requirements or goals.

All moneys earned and collected from investments authorized in this policy shall be credited or charged to the appropriate funds/projects of the City, as determined by the cash position of each fund/project and in accordance with the budget as adopted by the City Council or otherwise directed by law. It is unlawful for the City to create indebtedness (borrow) in excess of the amount of funds actually on hand in the treasury, except for the following cases:

- A. payment has been authorized by a vote of the electors of the municipality;
- B. provision has been made for payment by the issuance of bonds or temporary notes - including all capital projects (general, special assessment, and enterprise fund types);
- C. provision has been made for payment by the issuance of no-fund warrants;
- D. provision has been made for a revolving fund for the operation of any municipal airport financed and sustained partially or wholly by fees, rentals, proceeds from the sale of merchandise or charges for rendering services, received from the users of such airport;
- E. provision has been made for payment pursuant to a service agreement entered into pursuant to K.S.A. 12-5503 (a municipality may enter into a service agreement for a term not to exceed 30 years).

XI. Authorized Investments

The investments authorized under this policy shall be in accordance with K.S.A. 12-1675, K.S.A. 12-1677b and any other applicable statutes or ordinances and amendments thereto. The following list represents the types of investments that the City will consider and shall be authorized to invest in.

- United States Treasury and Agency Securities: The City may invest in obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of United States sponsored enterprises which under federal law may be accepted as security for public funds, except that none of the City's funds may be invested in mortgage-backed securities.
- Repurchase Agreements (Repo): The City may invest in repurchase agreements with banks, savings and loan associations and savings banks which have main or branch offices located in the city of Wichita, or with a primary government securities dealer which reports to the market reports division of the Federal Reserve Bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations and securities of United States government sponsored enterprises which under federal law may be accepted as security for public funds. Such repurchase agreements may be made only with institutions that have entered into fully executed master repurchase agreements on file with the City. The market value of the securities underlying any repurchase agreement shall be maintained with a market value of at least 105% of the amount of the repurchase agreement. If the market value of the securities falls below 105% of the amount of the repurchase agreement, additional securities shall be required to attain full security.
- Collateralized Public Deposits (Certificates of Deposit): The City may invest in instruments issued by any bank, savings and local associations and savings banks which have main or branch offices located within the city of Wichita stating specified sums have been deposited for specified periods and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as dictated by state statute and further restricted by this investment policy. The maximum dollar amount invested in Certificates of Deposit in any one bank shall never exceed four percent (4%) of the pooled funds portfolio. Interest will be calculated on a 365-day year/actual day month basis, or another method approved by the Director of Finance or designee in writing.
- Temporary Notes or No-Fund Warrants: The City may invest in temporary notes or no-fund warrants issued by the City of Wichita.
- State Municipal Investment Pool: The City may invest in a pool of funds that is managed by and under the authority of the Pooled Money Investment Board established by K.S.A. 12-1677a and amendments thereto.
- Multiple Municipal Client Investment Pools: The City may invest with trust departments of banks which have main or branch offices located in Sedgwick County, or with trust companies incorporated under the laws of the Kansas which have contracted to provide trust services under the provisions of K.S.A. 9-2107, and amendments thereto, with banks which have main or branch offices located in Sedgwick County. These accounts will be secured as provided for under K.S.A. 9-1402 and amendments thereto. Authorized investments in these pools will be subject to the same terms, conditions and limitations as are applicable to the State Municipal Investment Pool established by K.S.A. 12-1677a and amendments thereto.

It is the practice of the City of Wichita to retain expanded investment authority under K.S.A. 12-1677b. Expanded investment authority authorizes the City to extend maturities from two years to four years and allows the City to further diversify the portfolio by investing in government agency securities. The authorized investments and maturity structure defined in this policy are contingent on the City's ability to retain expanded investment powers.

XII. Investment Parameters

A. Diversification

It is the policy of the City of Wichita to diversify its investment portfolio by security type and institution to reduce overall portfolio risk, protect from material losses due to issuer defaults, market pricing changes, technical complications leading to temporary lack of liquidity, or other risks resulting from an over-concentration of assets in a specific maturity sector, a specific issuer, or a specific class of securities. Investments shall be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- Limiting investment in securities that have higher credit risks;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily available funds, such as the Kansas Municipal Investment Pool, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the City's pooled funds portfolio:

	Minimum	Maximum
<i>Instrument</i>		
Demand Deposit / Repurchase Agreements	-	5%
Kansas Municipal Investment Pool	-	15%
Certificates of Deposit	-	100%
Temporary Notes	-	10%
Treasury Securities	-	100%
U.S. Agency Bullet/Discount Securities	-	95%
Bullet/Discount	-	95%
Agency Callable	-	30%
Agency Floater	-	10%
<i>Concentration</i>		
Maximum CD's of one issuer to total portfolio		4%
Maximum single agency issuer to total portfolio		40%
<i>Maturity</i>		
Less than 6 months	25%	65%
6 months to 12 months	15%	50%
1 year to 4 years	10%	60%
Weighted Average Maturity (days)	125	400
Modified Duration (years)	.3	1.4

To allow efficient and effective placement of proceeds from bond sales and County tax distributions, the limit on repurchase agreements and State MIP deposits may be exceeded up

to fifty percent (50%) for a maximum of ten days following receipt of proceeds during adverse market conditions. To allow for investment maturity timing prior to bond payment dates, the limit on repurchase agreements and State MIP deposits may be exceeded up to the amount of the bond payment for a maximum of five days prior to a bond payment date.

B. Maximum Maturities

Investment maturities shall be scheduled in consideration with projected cash flow needs, taking into consideration large routine expenditures, as well as sizeable blocks of anticipated revenue. Maximum maturities for investment of funds under this policy shall be in accordance with K.S.A. 12-1675, K.S.A. 12-1677b, and any other applicable statutes or ordinances and amendments thereto. Maximum maturities by investment type are established as follows:

Type of Investment	Maximum Maturity
U.S. Treasury and Agency Securities	Four (4) years
Repurchase Agreements	Four (4) years
Collateralized Public Deposits (CDs)	Four (4) years
Temporary Notes/No-Fund Warrants	One (1) year
State Municipal Investment Pool	Two (2) years
Multiple Municipal Client Pools	Two (2) years

The sale of securities prior to maturity shall require the prior approval of the Director of Finance based on the following reasons:

- A security with declining credit may be sold prior to maturity to minimize the loss of principal.
- A security swap to improve the quality, yield, or target maturity of the portfolio.
- Liquidity needs requiring that a selected security be sold.

In the event of an unforeseen liquidity crisis, the current holdings of the portfolio shall be reviewed by the City Treasurer to determine particular investment securities suitable for sale prior to maturity, taking into consideration existing future cash flow requirements, to minimize potential losses. Securities identified for liquidation shall be approved by the Director of Finance prior to sale.

XIII. External Investment Pools

Prior to investing in any externally managed pool, including the State Municipal Investment Pool or Multiple Municipal Client Investment Pools, the City shall conduct a thorough investigation of the pool's operations. The following information regarding the management of the pool shall be maintained on file in the City Treasurer's Office and updated annually:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations, interest distribution methods, and treatment of losses.

- A description of how the securities are safeguarded (including the settlement processes), and how often securities are priced and the program is audited.
- A description of who may invest in the program, how often, and minimum and maximum amounts for deposit and withdrawals.
- A schedule for receiving statements and portfolio listings.
- A review of the pool's usage of reserves and retained earnings.
- A fee schedule, including when and how fees are assessed.
- Determination of whether the pool is eligible for deposits of bond proceeds.

XIV. Derivatives

Derivatives, defined as securities whose value relies on or is derived from an underlying security or index, are not authorized investments for the pooled funds portfolio. Exceptions to this policy statement are the following securities:

- U.S. Treasury Strips
- U.S. Treasury or Agency callable securities
- U.S. Treasury or Agency floating rate securities

These securities will meet all other policies and guidelines. Leveraging of the portfolio is strictly prohibited.

XV. Performance Standards and Reporting

The investment portfolio shall be designed with the objective of obtaining a benchmark return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs. The benchmark for the portfolio consists of the average return on the three-month U.S. Treasury Bill. This index is considered the benchmark for investment transactions with minimum risk and, therefore, is a minimum standard for the portfolio rate of return.

Following the primary objective of preservation of capital, the investment portfolio shall be actively managed to take advantage of market opportunities. In so doing, negotiable securities may be sold prior to their maturity to provide liquid funds as needed for cash flow purposes, to enhance portfolio returns, or to restructure maturities to increase yield and/or decrease risk. In practice, however, it is generally a hold to maturity portfolio.

Performance Evaluation Methodology

The value of the pooled investment portfolio's holdings shall be calculated and reported in three ways: market value, par value and amortized cost.

The earnings of the pooled funds portfolio shall be calculated and reported based on generally accepted accounting principles for pooled funds investments of local government units.

The yield on the pooled funds portfolio shall be calculated and reported as the yield to maturity. This calculation takes into account the face value (par), price paid, coupon rate and time to maturity.

Investment Reporting and Performance Analysis

Investment performance is continually monitored and evaluated by the Cash Manager and the City Treasurer using investment strategies developed by the Pooled Investment Committee and this policy, in conjunction with the Pooled Funds Investment Operating Guidelines. The Cash Manager generates monthly investment performance statistics and activity reports. The Director of Finance will provide summary information to the City Manager and the City Council as part of the Quarterly Financial Report.

The Cash Manager and City Treasurer shall prepare monthly, quarterly, and annual reports summarizing and supporting the investment activity for the prior period. Additional comparative performance reviews will be conducted, as the Pooled Investment Committee deems necessary. The Pooled Investment Committee shall be responsible for developing specific reporting guidelines, detailed in the Pooled Funds Investment Operating Guidelines.

The pooled funds investment portfolio will be reviewed annually by the external auditors for compliance with these policies and generally accepted accounting principles.

XVI. Collateralization

A. Initial Placement

Moneys to be deposited in financial institutions shall not be released until the financial institution's board has executed the required Collateral and Custodial Agreements.

Deposits in depository institutions doing business with the City of Wichita shall be fully collateralized at all times. Acceptable collateral for City deposits is listed below as provided in K.S.A. 9-1402. The City does not accept all forms of collateral authorized by Statute. Only the types listed below are acceptable collateral to the City of Wichita.

Collateral shall be priced on a market value basis. The aggregate market value of the collateral must be sufficient to equal the outstanding amount of City funds deposited, plus accrued interest thereon, less federal deposit insurance coverage. The depository bank shall ensure that deposits and accrued interest are always sufficiently collateralized. Sufficiency of collateral values will be validated by the City Treasurer's Office.

If a depository bank fails to meet requirements established by the City, the depository bank shall be required to close the account and return to the City all principal and accrued interest without penalty.

B. Collateral Requirements

Financial institutions may pledge or assign for the City's benefit sufficient securities, the market value of which is at least 105% of the total deposits. Peak period collateral agreements permitted under K.S.A. 9-1403 and mortgages as contemplated by K.S.A. 9-1402 are not to be accepted by the City of Wichita. The allowable securities and forms of collateral acceptable to the City are limited to:

1. Direct obligations of, or obligations insured by, the U.S. government or any agency thereof.
2. Obligations and securities of U.S. sponsored corporations, which under federal law, may be accepted as security for public funds.

3. Bonds of any Kansas municipality, which has been refunded and is secured by U.S. obligations.
4. Bonds of the State of Kansas.
5. General obligation bonds of any Kansas municipality.
6. Revenue bonds of any Kansas municipality, if they meet approval by the State Banking (or Savings and Loan) Commissioner.
7. General obligation temporary notes of any Kansas municipality.
8. No-fund warrants of any Kansas municipality.
9. Certain Kansas municipality sponsored revenue bonds rated Aa or higher by Moody's Investors Service or AA by Standard & Poor's Corp.
10. Commercial paper that does not exceed 270 days to maturity and that has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.
11. Corporate surety bonds approved by the Kansas Commissioner of Insurance and in the standard format acceptable to the City of Wichita, as follows:
 - a. The issuer of the surety bond shall be admitted and licensed to issue surety bonds in Kansas.
 - b. The City of Wichita shall be designated as the insured public depositor.
 - c. The issuer and the depository bank are required to notify the City of Wichita by certified or registered mail no fewer than 90 days prior to non-renewal and no fewer than 45 days prior to a bond's cancellation.
 - d. The claims-paying ability of the issuer must be rated and remain rated in the highest rating category of one of the nationally recognized rating agencies ("A++" or "A+" from A.M. Best Company or "AAA" from Standard and Poor's). Within 48 hours of discovery of a downgrade by a rating agency or notice of financial regulatory action by any jurisdiction in which the issuer is licensed, notice must be given to the City Treasurer by the issuer in the form of certified or registered mail.
 - e. No more than \$5 million per depository bank or an aggregate of \$20 million for all depository banks can be collateralized in the form of surety bonds.
 - f. The issuer is required to send quarterly reports to the Office of the City Treasurer listing all depository banks that have purchased a surety bond for deposits, the insured amount covering deposits of the City of Wichita, and the total insured amount per depository bank in Sedgwick County.
12. A personal bond in an amount, which is double the amount on deposit.
13. A letter of credit (LOC) issued by a U.S. sponsored enterprise that under federal law may be accepted as security for public funds, subject to the following:
 - a. The letter of credit (LOC) must be in the format acceptable to the City of Wichita.
 - b. The City of Wichita must be designated as the irrevocable and unconditional beneficiary of the letter of credit.
 - c. The issuer and the depository bank must notify the City Treasurer by certified or registered mail at least 45 days prior to cancellation or the non-renewal of a letter of credit.
 - d. The issuer may not provide letters of credit for any one depository bank in an amount, which exceeds ten percent of the issuer's capital and surplus.

XVII. Competitive Selection of Investment Instruments

As outlined by K.S.A. 12-1675 and amendments thereto, the City's public funds must first be offered to banks, savings and loan associations and savings banks within the city of Wichita. The City will accomplish this by sending written letters to all local financial institutions on a quarterly basis directing them to contact the City Treasurer or Cash Manager if they are interested in submitting offers on City investments. A notice will also be posted on the City's website providing instructions for local institutions desiring to make offers on investments for City funds. Those institutions who indicate a willingness to bid on the City's investments will be placed on a list so that the City may contact them when funds are available for investment.

The Treasurer will include a letter to the Pooled Money Investment Board with the annual application for expanded powers certifying compliance with subsection (c) of K.S.A. 12-1675 which includes a listing of the local financial institutions from which the City requested bids on City investments.

Should the offered rate from local institutions not equal or exceed the "investment rate" as defined by K.S.A. 12-1675a, the City may solicit offers for investments in the State's investment pool or through brokers and dealers.

Each security transaction, other than directly issued instruments, securities in syndicate or specially bid or offered securities, shall be executed through a competitive process involving solicitation of bids or offers from qualified institutions. When purchasing a security, the offer that provides the highest anticipated current and future rate of return and meets the investment objectives of the portfolio shall be accepted. When selling a security, the bid that generates the highest sales price shall be accepted.

XVIII. Staff Qualifications

To establish and implement cash management practices for the City, the City Manager shall establish the position of City Treasurer and Cash Manager within the Department of Finance. The City Manager, Director of Finance and City Treasurer shall adopt and implement procedures and practices for the efficient cash management of all funds held by or belonging to the City of Wichita.

The position of City Treasurer is appointed by the City Manager upon recommendation of the Director of Finance and is responsible for planning, directing and managing the investment programs of the City as outlined by the City of Wichita Pooled Funds Investment Policy and Operating Guidelines. The City Treasurer shall have at least five years experience in investment management, managing banking relationships and/or cash management. Such appointee shall meet the criteria defined by the Personnel Classification Manual included in the exhibits of the Pooled Funds Investment Operating Guidelines.

XIX. Bond of Treasurer

In accordance with K.S.A. 13-526a and Section 2.16.020 of the City Code, the City Treasurer shall furnish a corporate surety bond in the principal sum of one hundred thousand dollars conditioned that he/she will account for all moneys belonging to the City and will faithfully perform the office of Treasurer of the City. Such bond shall be approved by the City Attorney before acceptance and filed with the City Clerk.

XX. Brokers and Dealers

Investment transactions shall only be conducted with qualified institutions, i.e., banks, savings and loan associations and savings banks, the Federal Reserve Bank of Kansas City, Missouri, or with primary government securities dealers which report to the market report division of the Federal Reserve Bank of New York, or any broker-dealer which is registered in compliance with Section 15C of the Securities Exchange Act of 1934 and registered pursuant to K.S.A. 17-1254, and amendments thereto.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements.
- Proof of National Association of Securities Dealers (NASD) certification.
- Proof of State Registration.
- Completed broker/dealer questionnaire.
- Business resume of individual assigned to the City's account.
- Certification of having read and understood and agreeing to comply with the City of Wichita's investment policy.

A list will be maintained of approved security broker/dealers selected by credit worthiness and experience. Approved broker/dealers shall have a minimum capital requirement of \$10,000,000 and at least five years of operation. This may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the City Treasurer.

XXI. Safekeeping and Custody

All security transactions entered into by the City of Wichita shall be conducted on a delivery versus payment basis. Securities will be held by either the Federal Reserve Bank or a third-party custodian, designated by the City of Wichita and evidenced by safekeeping receipts.

XXII. Separate Provisions of Policy and Conflicts with Kansas Law

The above policies shall be approved at least annually by the governing body and shall remain in full force and effect until revoked by the Wichita City Council. If after adoption of this policy, should there exist any conflict of this policy with Kansas laws and/or statutes, current law shall dictate.

Second Reading Ordinances for November 26, 2013 (first read on November 19, 2013)

A. Public Hearing and Issuance of Health Care Facilities Improvement Revenue Bonds, Larksfield Place. (District II)

ORDINANCE NO. 49-606

AN ORDINANCE AUTHORIZING THE CITY OF WICHITA, KANSAS, TO ISSUE ITS HEALTH CARE FACILITIES IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES III, 2013 (LARKSFIELD PLACE), IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$30,000,000 FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, REMODELING AND EQUIPPING IMPROVEMENTS TO AN EXISTING SENIOR LIVING FACILITY AND REFUNDING CERTAIN OUTSTANDING BONDS OF THE CITY; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

B. Grocery, Tobacco, and Child Care Fee Adjustments.

ORDINANCE NO. 49-607

AN ORDINANCE AMENDING SECTION 7.22.030 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO FOOD ESTABLISHMENTS.

ORDINANCE NO. 49-608

AN ORDINANCE AMENDING SECTION 7.60.030 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO THE SALE OF CIGARETTES AND TOBACCO PRODUCTS.

C. Water and Sewer Rate Increases.

ORDINANCE NO. 49-609

AN ORDINANCE AMENDING SECTION 17.12.090 OF THE CODE OF THE CITY OF WICHITA, KANSAS, PERTAINING TO SCHEDULE OF RATES AND CHARGES FOR WATER SERVICE, AND REPEALING THE ORIGINAL OF SAID SECTION.

ORDINANCE NO. 49-610

AN ORDINANCE AMENDING SECTION 16.14.040 OF THE CODE OF THE CITY OF , KANSAS, RELATING TO THE SCHEDULE OF RATES FOR USERS OF THE SANITARY SEWER SYSTEM, AND REPEALING THE ORIGINAL OF SAID SECTION.

D. Nuisance Abatement Assessments. Lot Clean Up. (Districts I, III, IV, V and VI)

ORDINANCE NO. 49-611

AN ORDINANCE MAKING A SPECIAL ASSESSMENT TO PAY FOR THE COST OF ABATING CERTAIN PUBLIC HEALTH NUISANCES (**LOT CLEAN UP**) UNDER THE PROVISION OF SECTION 7.40.050 OF THE CODE OF THE CITY OF WICHITA, KANSAS. BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS:

E. Nuisance Abatement Assessments, Cutting Weeds.

ORDINANCE NO. 49-612

AN ORDINANCE MAKING A SPECIAL ASSESSMENT TO PAY FOR THE COST OF **CUTTING WEEDS** IN THE CITY OF WICHITA, KANSAS.

F. ZON2013-00022 Zone change from B Mutlti Family Residentail (B) to LC Limited Commercial (LC) on property generally located south of 13th Street North on the east side of Hillside Avenue. (District I)

ORDINANCE NO. 49-613

AN ORDINANCE CHANGING THE ZONING CLASSIFICATIONS OR DISTRICTS OF CERTAIN LANDS LOCATED IN THE CITY OF WICHITA, KANSAS, UNDER THE AUTHORITY GRANTED BY THE WICHITA-SEDGWICK COUNTY UNIFIED ZONING CODE, SECTION V-C, AS ADOPTED BY SECTION 28.04.010, AS AMENDED.

G. CUP2013-00031 and ZON2013-00023 Amendment to the Scholfield Honda Commercial Community Unit Plan (CUP) DP-305 and zone change from SF-5 Single-family Residential (SF-5) to LC Limited Commercial (LC) on property generally located on the north and south sides of East Orme Street, between South Drury Lane and South Gouverneur Road (6932 East Orme Street and all lots located o nthe south side of East Orme Street between south Drury Lane and South Gouverneur Road. (District II)

ORDINANCE NO. 49-614

AN ORDINANCE CHANGING THE ZONING CLASSIFICATIONS OR DISTRICTS OF CERTAIN LANDS LOCATED IN THE CITY OF WICHITA, KANSAS, UNDER THE AUTHORITY GRANTED BY THE WICHITA-SEDGWICK COUNTY UNIFIED ZONING CODE, SECTION V-C, AS ADOPTED BY SECTION 28.04.010, AS AMENDED.

- H. **SUB2013-00039 Plat of QuikTrip 15th Addition located on the northwest corner of Central and Oliver. (District I)**

ORDINANCE NO. 49-615

AN ORDINANCE CHANGING THE ZONING CLASSIFICATIONS OR DISTRICTS OF CERTAIN LANDS LOCATED IN THE CITY OF WICHITA, KANSAS, UNDER THE AUTHORITY GRANTED BY THE WICHITA-SEDGWICK COUNTY UNIFIED ZONING CODE, SECTION V-C, AS ADOPTED BY SECTION 28.04.010, AS AMENDED.

- I. **A13-07 Request by Spilled Wine LLC to Annex alnds generall located east of Greenwich Road approximately one-half mile north of 13th Street North.**

ORDINANCE NO. 49-616

AN ORDINANCE INCLUDING AND INCORPORATING CERTAIN BLOCKS, PARCELS, PIECES AND TRACTS OF LAND WITHIN THE LIMITS AND BOUNDARIES OF THE CITY OF WICHITA, KANSAS. (A13-07)

City of Wichita
City Council Meeting
November 26, 2013

TO: Mayor and City Council

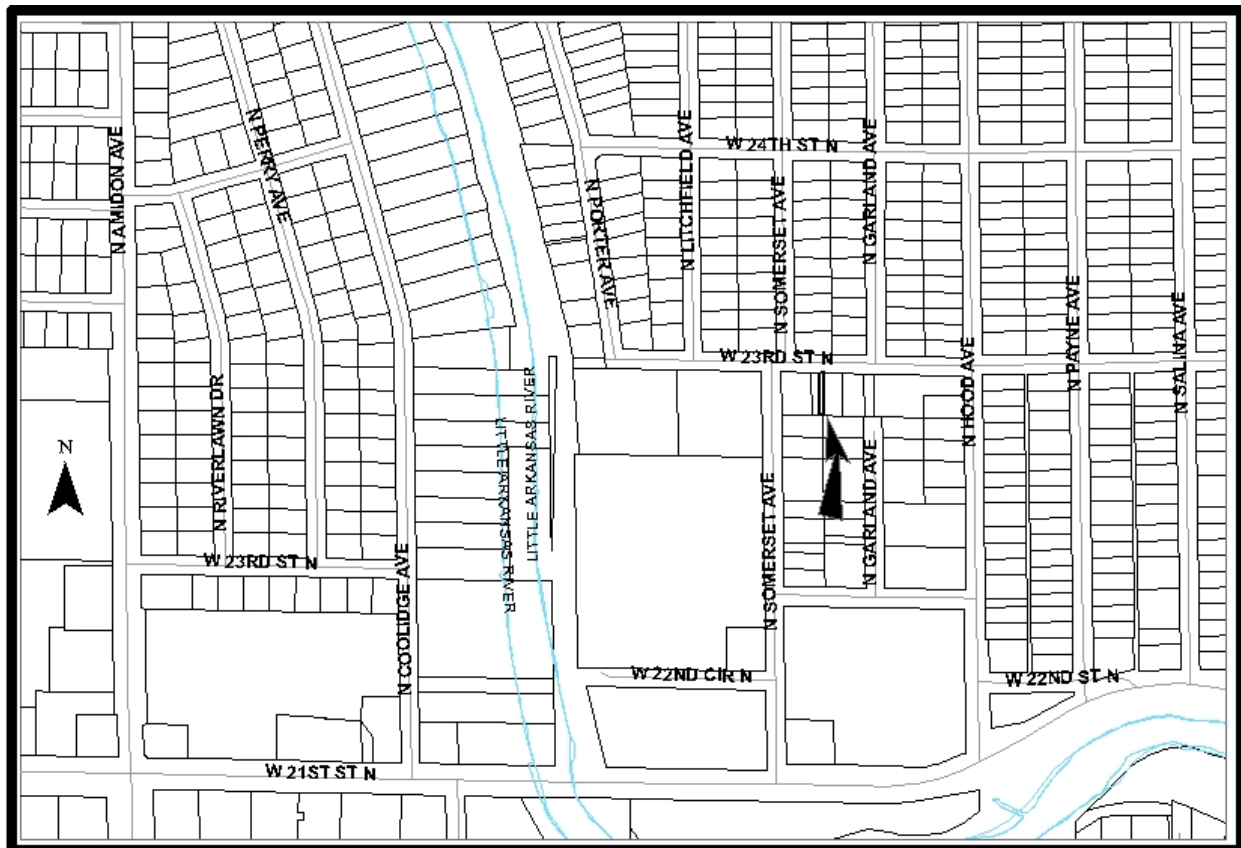
SUBJECT: VAC2013-00026 - Request to vacate a portion of a sewer easement dedicated by separate instrument on property generally located east of the Little Arkansas River, east of Somerset Avenue, on the south side of 23rd Street North. (District VI)

INITIATED BY: Metropolitan Area Planning Department

AGENDA: Planning (Consent)

Staff Recommendation: Staff recommends approval of the vacation request.

MAPC Recommendation: The Metropolitan Area Planning Commission (MAPC) recommends approval of the vacation request (8-0).



Background: The applicant proposes to vacate the 16-foot wide sewer easement dedicated by separate instrument (Misc. Bk. 355, Page 193) located along the west side of Lot 20, Guthries Subdivision. A recent residential lot split, LS2013-00008, of the subject property required the dedication of a sewer easement (DOC#/FLM-PG: 29382412), as the subject easement was not discovered during the first title search on the property for the lot split. The vacation request is cleaning up this oversight. A sewer line is located within the both the old easement and the new one; the sewer line is covered. The Guthries Subdivision Addition was recorded with the Register of Deeds June 24, 1886. LS2013-00008 was recorded with the Register of Deeds May 29, 2013.

Analysis: The Metropolitan Area Planning Commission (MAPC) voted (8-0) to approve the vacation request. No one spoke in opposition to this request at the MAPC's advertised public hearing or its Subdivision Committee meeting. No written protests have been filed.

Financial Considerations: All improvements are to City standards and at the applicant's expense.

Legal Considerations: The Law Department has reviewed and approved, as to form, the Vacation Order. A certified copy of the Vacation Order will be recorded with the Register of Deeds.

Recommendation/Actions: It is recommended that the City Council follow the recommendation of the Metropolitan Area Planning Commission and approve the Vacation Order and authorize the necessary signatures.

Attachments:

- Vacation Order

**BEFORE THE CITY COUNCIL OF THE
CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**

**IN THE MATTER OF THE VACATION OF A SEWER)
EASEMENT DEDICATED BY SEPARATE INSTRUMENT)**

**GENERALLY LOCATED EAST OF THE LITTLE)
ARKANSAS RIVER, EAST OF SOMERSET AVENUE)
ON THE SOUTH SIDE OF 23RD STREET NORTH)
)
)**

VAC2013-00026

MORE FULLY DESCRIBED BELOW

VACATION ORDER

NOW on this 26th day of November, 2013, comes on for hearing the petition for vacation filed by Nettcorp LLC, c/o Ryan Nett (owner), praying for the vacation of a sewer easement dedicated by separate instrument, to-wit:

A 16-foot sewer easement recorded at Misc. Bk. 355, Page 193, being more particularly described as follows: The east 16 feet of the west 135 feet of Lot 20, Guthries Subdivision of the E1/2 of the SE1/4 of Sec. 6, T27S, R1E of the 6th PM, Wichita, Sedgwick County, Kansas.

The City Council, after being duly and fully informed as to fully understand the true nature of this petition and the propriety of granting the same, makes the following findings:

1. That due and legal notice has been given by publication, as required by law, in The Wichita Eagle on August 1, 2013 which was at least 20 days prior to the public hearing.

2. No private rights will be injured or endangered by the vacation of the

above-described sewer easement dedicated by separate instrument and the public will suffer no loss or inconvenience thereby.

3. The vacation case is associated with residential lot split, LS2013-00008, which was recorded with the Register of Deeds May 29, 2013.

4. In justice to the petitioner(s), the prayer of the petition ought to be granted.

5. No written objection to said vacation has been filed with the City Clerk by any owner or adjoining owner who would be a proper party to the petition.

6. The vacation of the sewer easement dedicated by separate instrument should be approved.

IT IS, THEREFORE, BY THE CITY COUNCIL, on this 26th day of November, 2013, ordered that the above-described sewer easement dedicated by separate instrument is hereby vacated. IT IS FURTHER ORDERED that the City Clerk shall certify a copy of this order to the Register of Deeds of Sedgwick County.

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

Approved as to Form:

Gary Rebenstorf, Director of Law

City of Wichita
City Council Meeting
November 26, 2013

TO: Mayor and City Council

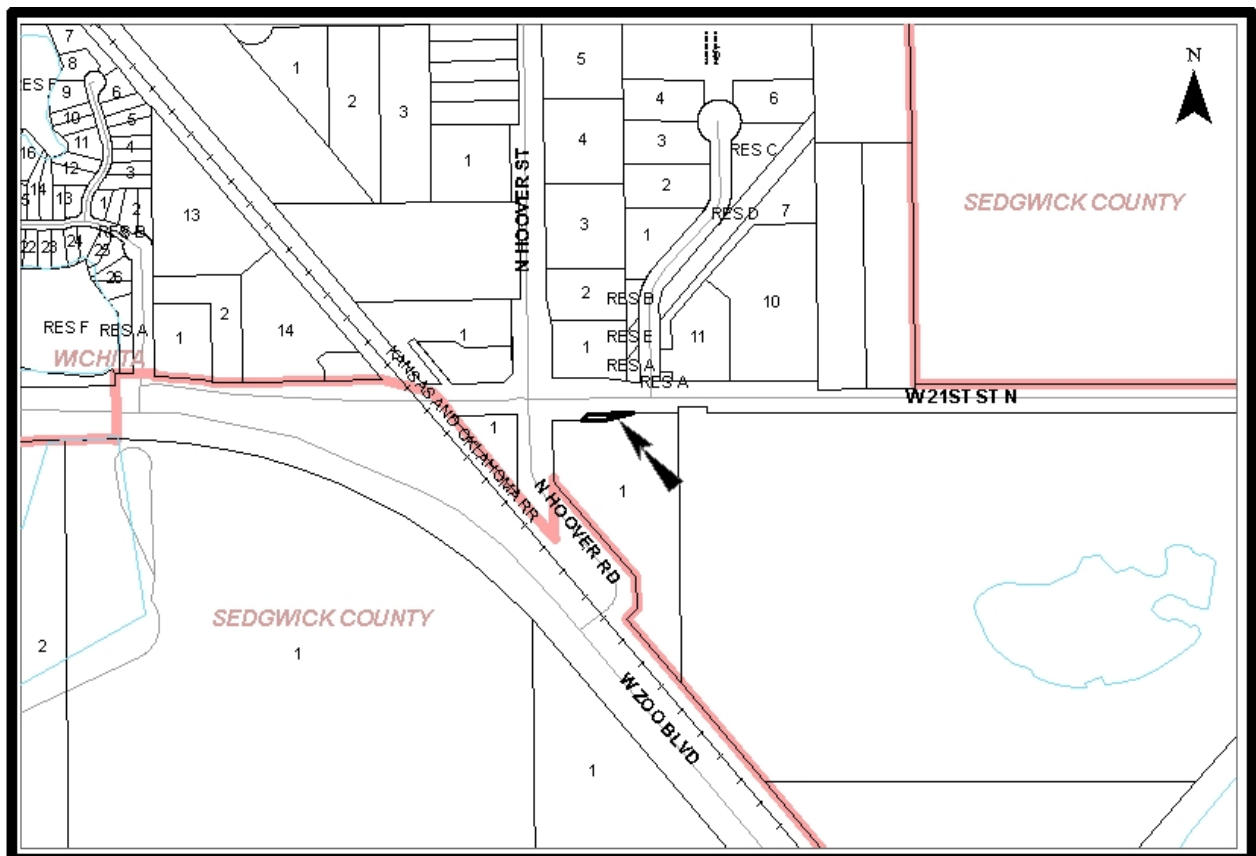
SUBJECT: VAC2013-00027 - Request to vacate a portion of a platted street right-of-way on property generally located on the southeast corner of Hoover Road and 21st Street North. (District VI)

INITIATED BY: Metropolitan Area Planning Department

AGENDA: Planning (Consent)

Staff Recommendation: Staff recommends approval of the vacation request.

MAPC Recommendation: The Metropolitan Area Planning Commission (MAPC) recommends approval of the vacation request (8-0).



Background: The applicant proposes to vacate the south 25-feet of a portion of the platted 75-foot wide 21st Street North street right-of way that was designed for a turn lane onto Hoover Road. The subject right-of way runs parallel to the north lot line of Lot 1, Block 1, U Needa Self Storage Addition. The proposed vacation will shorten the turn lane, but mirror its current design. There are no utilities located within the described portion of the subject street right-of-way. There is a Philips Pipe Line Construction Easement (Film 419, Page 1463) in the street right-of-way, which the vacated portion of subject street right-of-way will not impact. The U Needa Self Storage Addition was recorded with the Register of Deeds April 16, 1999.

Analysis: The Metropolitan Area Planning Commission (MAPC) voted (8-0) to approve the vacation request. No one spoke in opposition to this request at the MAPC's advertised public hearing or its Subdivision Committee meeting. No written protests have been filed.

Financial Considerations: All improvements are to City standards and at the applicant's expense.

Legal Considerations: The Law Department has reviewed and approved, as to form, the Vacation Order and a covenant. A certified copy of the Vacation Order and the covenant will be recorded with the Register of Deeds.

Recommendation/Actions: It is recommended that the City Council follow the recommendation of the Metropolitan Area Planning Commission and approve the Vacation Order and authorize the necessary signatures.

Attachments:

- Vacation Order
- A covenant

**BEFORE THE CITY COUNCIL OF THE
CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**

**IN THE MATTER OF THE VACATION OF A PORTION)
PLATTED STREET RIGHT-OF-WAY)**

**GENERALLY LOCATED ON THE SOUTHEAST)
CORNER OF 21ST STREET NORTH AND HOOVER)
ROAD)**

VAC2013-00027

MORE FULLY DESCRIBED BELOW)

VACATION ORDER

NOW on this 26th day of November, 2013, comes on for hearing the petition for vacation filed by BRZ Investments Inc, c/o R.D. Wood (owner), praying for the vacation of a portion of a platted street right-of-way, to-wit:

Commencing at the Northwest corner of Lot 1, Block 1, U-Needa Self Storage Addition to Wichita, Sedgwick County, Kansas; thence along the North line of said Lot 1 on a platted bearing of N 89°22'29" E a distance of 100.00 feet to the point of beginning; thence N 76°35'21" E a distance of 103.08 feet parallel with the North line of Lot 1; thence N 89°22'29" E a distance of 74.90 feet to a corner of said Lot 1, Block 1; thence along the North line of Lot 1 S 76°35'21" W a distance of 103.08 feet; thence continuing along the North line of Lot 1 S 89°22'39" W a distance of 75.00 feet to the point of beginning.

The City Council, after being duly and fully informed as to fully understand the true nature of this petition and the propriety of granting the same, makes the following findings:

1. That due and legal notice has been given by publication, as required by law, in The Wichita Eagle on August 1, 2013 which was at least 20 days prior to the public hearing.

2. No private rights will be injured or endangered by the vacation of the above-described portion of platted street right-of-way and the public will suffer no loss or inconvenience thereby.

3. A covenant binding and tying the described portion of the vacated street right-of-way to Lot 1, Block 1, U-Needa Self Storage Addition will be recorded with this Vacation Order at the Register of Deeds.

4. In justice to the petitioner(s), the prayer of the petition ought to be granted.

5. No written objection to said vacation has been filed with the City Clerk by any owner or adjoining owner who would be a proper party to the petition.

6. The vacation of the described portion of the platted street right-of-way should be approved.

IT IS, THEREFORE, BY THE CITY COUNCIL, on this 26th day of November, 2013, ordered that the above-described portion of the platted street right-of-way is hereby vacated. IT IS FURTHER ORDERED that the City Clerk shall certify a copy of this order to the Register of Deeds of Sedgwick County.

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

Approved as to Form:

Gary Rebenstorf, Director of Law

COPY

COVENANT

KNOW ALL MEN BY THESE PRESENTS THAT THE UNDERSIGNED, BRZ Investments, Inc. is the owner of the following described real estate, to-wit:

Lot 1, Block 1, U-Needa Self Storage Addition to Sedgwick County, Kansas.

NOW THEREFORE, in consideration of receiving approval from the appropriate government authorities for the vacation of that part of 21st Street North abutting the above described property and described on Exhibit A hereto, as created by vacation case VAC2013-000027, the undersigned agrees and covenants that said vacated portion of said platted street and Lot 1, Block 1, U-Needa Self Storage Addition to Wichita, Sedgwick County, Kansas, shall be retained, held and bound together.

It is also understood that this covenant shall be binding upon the undersigned, its successors and assigns, and shall run with the land until such time as the said properties are replatted.

Dated this 31st day of October, 2013.

BRZ Investments, Inc.

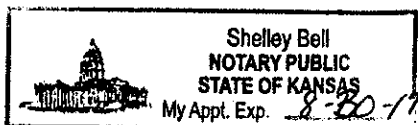
By: 

B.J. Wood, President

STATE OF KANSAS)
SEDGWICK COUNTY)

BE IT REMEMBERED, that on this 31st day of October, 2013, before me, the undersigned, a Notary Public, in and for the County and State aforesaid, came B.J. Wood, President of BRZ Investments, Inc., who is personally known to me to be the same person who executed this written document and such person duly acknowledged the execution of the same, for and on behalf of the corporation.

IN TESTEMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.



Shelley Bell
Notary Public

My Commission Expires: 8-30-17

EXHIBIT A

Commencing at the Northwest corner of Lot 1, Block 1, U-Needa Self Storage Addition to Sedgwick County, Kansas; thence along the North line of said Lot 1 on a platted bearing of N 89°22'29" E a distance of 100.00 feet to the point of beginning; thence N 76°35'21" E a distance of 103.08 feet parallel with the North line of Lot 1; thence N 89°22'29" E a distance of 74.90 feet to a corner of said Lot 1, Block 1; thence along the North line of Lot 1 S 76°35'21" W a distance of 103.08 feet; thence continuing along the North line of Lot 1 S 89°22'39" W a distance of 75.00 feet to the point of beginning.

City of Wichita
City Council Meeting
November 26, 2013

TO: Mayor and City Council

SUBJECT: VAC2013-00031 - Request to vacate a portion of a platted drainage easement on property generally located on the east side of Maize Road and south of 21 Street North. (District V)

INITIATED BY: Metropolitan Area Planning Department

AGENDA: Planning (Consent)

Staff Recommendation: Staff recommends approval of the vacation request.

MAPC Recommendation: The Metropolitan Area Planning Commission (MAPC) recommends approval of the vacation request (12-0).



Background: The applicant proposes to vacation a portion of a platted drainage easement, located east of the Maize Road intersection, in the Timber Ridge 5th Addition. The applicant proposes to place a monument sign in a portion of the subject drainage easement.

Analysis: The Metropolitan Area Planning Commission (MAPC) voted (12-0) to approve the vacation request. No one spoke in opposition to this request at the MAPC's advertised public hearing or its Subdivision Committee meeting. No written protests have been filed.

Financial Considerations: All improvements are to City standards and at the applicant's expense.

Legal Considerations: The Law Department has reviewed and approved, as to form, the Vacation Order. A certified copy of the Vacation Order will be recorded with the Register of Deeds.

Recommendation/Actions: It is recommended that the City Council follow the recommendation of the Metropolitan Area Planning Commission and approve the Vacation Order and authorize the necessary signatures.

Attachments:

- Vacation Order

**BEFORE THE CITY COUNCIL OF THE
CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**

**IN THE MATTER OF THE VACATION OF A PORTION)
OF A PLATTED DRAINAGE EASEMENT)**

**GENERALLY LOCATED ON THE EAST SIDE OF)
MAIZE ROAD AND SOUTH OF 21ST STREET NORTH)**

VAC2013-00031

MORE FULLY DESCRIBED BELOW

VACATION ORDER

NOW on this 26th day of November, 2013, comes on for hearing the petition for vacation filed by Bennington Place, LLC., c/o Mike Brand (owner), praying for the vacation of a portion of a platted drainage easement to-wit:

That part of a drainage easement as granted in Timber Ridge 5th Addition, Wichita, Sedgwick County, Kansas described as follows: Commencing at the most westerly northwest corner of Lot 1, Block A, in said Timber Ridge 5th Addition, said most westerly northwest corner also being on the easterly right-of-way line of Maize Road as indicated on the face of the plat of said Timber Ridge 5th Addition; thence N86°37'36"E along a segment of the north line of said Lot 1, 25.09 feet to the intersection with the east line of a 25.00 foot utility easement as granted in said Timber Ridge 5th Addition; thence S01°35'13"W along the east line of said 25.00 foot utility easement, 21.07 feet for a point of beginning; thence N86°58'13"E, 28.80 feet to the point of curvature of a tangent curve to the right; thence easterly, southeasterly, southerly, southwesterly, and westerly along said curve, having a central angle of 180°00'00" and a radius of 4.06 feet, an arc distance of 12.75 feet, (having a chord length of 8.12 feet bearing S03°01'47"E), to the point

Vacation Order
VAC2013-00031

Page 1 of 2

of tangency of said curve; thence S86°58'13"W, 29.45 feet to the intersection with the east line of said 25.00 foot utility easement; thence N01°35'13"E along the east line of said 25.00 foot utility easement, 8.15 feet to the point of beginning. Containing 262.4 sq.ft.

The City Council, after being duly and fully informed as to fully understand the true nature of this petition and the propriety of granting the same, makes the following findings:

1. That due and legal notice has been given by publication, as required by law, in The Wichita Eagle on August 22, 2013 which was at least 20 days prior to the public hearing.
2. No private rights will be injured or endangered by the vacation of the above-described portion of the platted drainage easement and the public will suffer no loss or inconvenience thereby.
3. In justice to the petitioner(s), the prayer of the petition ought to be granted.
4. No written objection to said vacation has been filed with the City Clerk by any owner or adjoining owner who would be a proper party to the petition.
5. The vacation of the described portion of the platted drainage easement should be approved.

IT IS, THEREFORE, BY THE CITY COUNCIL, on this 26th day of November, 2013, ordered that the above-described portion of the platted drainage easement is hereby vacated. IT IS FURTHER ORDERED that the City Clerk shall certify a copy of this order to the Register of Deeds of Sedgwick County.

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

Approved as to Form:

Gary Rebenstorf, Director of Law

Vacation Order
VAC2013-00031

Page 2 of 2

City of Wichita
City Council Meeting
November 26, 2013

TO: Mayor and City Council

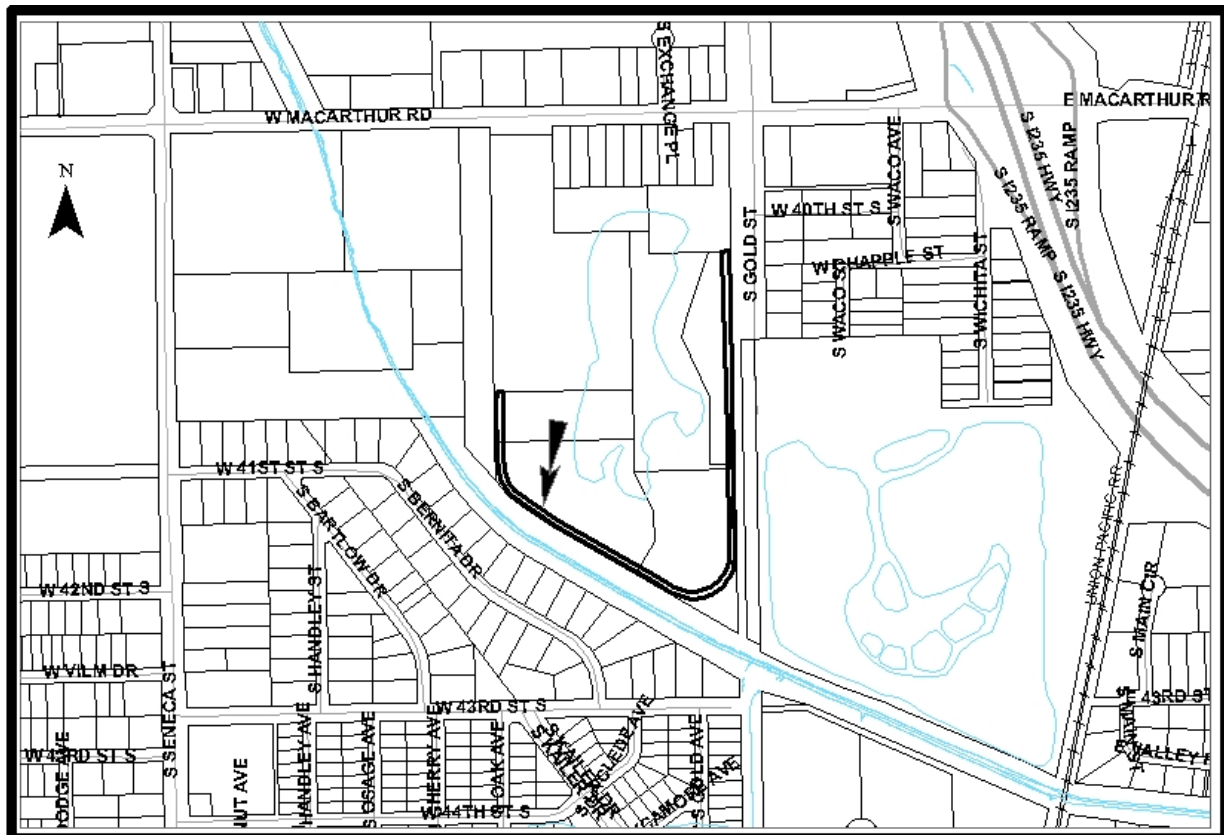
SUBJECT: VAC2013-00037 - Request to vacate a portion of a platted access easement for tenants, fire lane and drainage ditch maintenance on property generally located west of Interstate Highway-235, south of MacArthur Road, on the west side of Gold Street. (District IV)

INITIATED BY: Metropolitan Area Planning Department

AGENDA: Planning (Consent)

Staff Recommendation: Staff recommends approval of the vacation request.

MAPC Recommendation: The Metropolitan Area Planning Commission (MAPC) recommends approval of the vacation request (10-0).



Background: The applicant proposes to vacate a portion of a platted 30-foot wide platted access easement for tenants, fire lane and drainage ditch maintenance located within Lots 2, 3, 4 and 5, the MacArthur Beach Addition. The applicant owns all of the described property. The platted access easement runs from the north end of Lot 5 (and the south end of a private access easement dedicated by separate instrument; Film-228, Page-98) to the north end of Lot 1 and MacArthur Road. The applicant has access to his property off of Gold Street (VAC2008-00040) and does not need the access provided by the subject platted access easement. The site is also located within Community Unit Plan DP-72. The reference to tenant's access reflects DP-72's proposed development as "garden apartments," which is a multi-family residential development and compatible with the property's MF-29 Multi-Family Residential (MF-29) zoning. Approximately a third of DP-72 has been developed as apartments; the west third located across the lake from the subject property, Lot 1, MacArthur Beach Addition. The rest of DP-72 contains the applicant's single-family residence. City Fire has given its approval of the vacation of the described portion of the subject access easement as the access to the apartments is still provided by the remaining portion of the subject access easement and off of MacArthur Road. There is a platted 10-foot wide Riverside drainage ditch located on the south end of the plat, which is accessed to by the subject access easement for maintenance; a portion of the subject access easement will be retained to allow access to the Riverside drainage ditch. There is a sewer line and manhole located in the south portion of the subject property that is not covered by an easement; the applicant has provided a sanitary sewer easement. The MacArthur Beach Addition was recorded with the Register of Deeds November 28, 1978.

Analysis: The Metropolitan Area Planning Commission (MAPC) voted (12-0) to approve the vacation request. No one spoke in opposition to this request at the MAPC's advertised public hearing or its Subdivision Committee meeting. No written protests have been filed.

Financial Considerations: All improvements are to City standards and at the applicant's expense.

Legal Considerations: The Law Department has reviewed and approved, as to form, the Vacation Order and the dedication of a sanitary sewer easement. A certified copy of the Vacation Order and the dedication of a sanitary sewer easement will be recorded with the Register of Deeds.

Recommendation/Actions: It is recommended that the City Council follow the recommendation of the Metropolitan Area Planning Commission and approve the Vacation Order and authorize the necessary signatures.

Attachments:

- Vacation Order
- Dedication of a sanitary sewer easement

**BEFORE THE CITY COUNCIL OF THE
CITY OF WICHITA, SEDGWICK COUNTY, KANSAS**

**IN THE MATTER OF THE VACATION OF A PORTION)
OF A PLATTED ACCESS EASEMENT FOR TENANTS,)
FIRE LANE AND DRAINAGE DITCH MAINTENANCE)**

**GENERALLY LOCATED WEST OF INTERSTATE)
HIGHWAY-235, SOUTH OF MACARTHUR ROAD,)
ON THE WEST SIDE OF GOLD STREET)**

VAC2013-00037

MORE FULLY DESCRIBED BELOW

VACATION ORDER

NOW on this 26th day of November, 2013, comes on for hearing the petition for vacation filed by Mark Ysidro (owner), praying for the vacation of a portion of a platted access easement for tenants, fire lane and drainage ditch maintenance, to-wit:

That portion of the platted 30-foot wide access easement for tenants, fire lane and drainage ditch maintenance located within Lots 2, 3, 4, & 5, the MacArthur Beach Addition, Wichita, Sedgwick County, Kansas.

The City Council, after being duly and fully informed as to fully understand the true nature of this petition and the propriety of granting the same, makes the following findings:

1. That due and legal notice has been given by publication, as required by law, in The Wichita Eagle on September 19, 2013 which was at least 20 days prior to the public hearing.

November 26, 2013
VAC2013-00037

Page 1 of 2

2. No private rights will be injured or endangered by the vacation of the above-described platted access easement for tenants, fire lane and drainage ditch maintenance and the public will suffer no loss or inconvenience thereby.

3. A sanitary sewer easement dedicated by separate instrument will be recorded with this Vacation order at the Register of Deeds.

4. That portion of the platted access easement for tenants, fire lane and drainage ditch maintenance located on Lot 1, MacArthur Beach Addition shall be retained.

5. Retain that portion of the 30-foot wide platted access easement that runs parallel to the platted 10-foot wide Riverside Drainage Ditch and the larger Riverside Drainage Ditch right-of-way (condemnation case 65379) and parallel to the south lot lines of Lots 3 and 4, MacArthur Beach Addition, as a drainage ditch maintenance access easement.

6. In justice to the petitioner(s), the prayer of the petition ought to be granted.

7. No written objection to said vacation has been filed with the City Clerk by any owner or adjoining owner who would be a proper party to the petition.

8. The vacation of the described portion of the platted access easement for tenants, fire lane and drainage ditch maintenance should be approved.

IT IS, THEREFORE, BY THE CITY COUNCIL, on this 26th day of November, 2013, ordered that the above-described portion of the platted access easement for tenants, fire lane and drainage ditch maintenance is hereby vacated. IT IS FURTHER ORDERED that the City Clerk shall certify a copy of this order to the Register of Deeds of Sedgwick County.

Carl Brewer, Mayor

ATTEST:

Karen Sublett, City Clerk

Approved as to Form:

Gary Rebenstorf, Director of Law

November 26, 2013
VAC2013-00037

Page 2 of 2

COPY

SANITARY SEWER EASEMENT

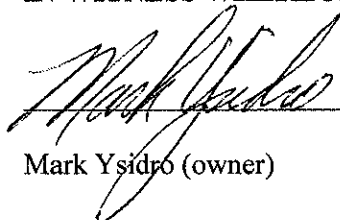
THIS SANITARY SEWER EASEMENT made this _____ day of _____, 2013,
by and between Mark Ysidro of the first part and the City of Wichita of the second part.

WITNESSETH: That the said first party, in consideration of the sum of One Dollar (\$1.00) and other valuable consideration, the receipt whereof is hereby acknowledged, do hereby grant and convey unto the said second party a perpetual sanitary sewer easement for the location of utilities over the following-described real estate situated in Sedgwick County, Kansas, to wit:

The south forty feet of the east twenty feet of Lot 4, Block 1, Mac Arthur Beach,
an Addition to Wichita, Sedgwick County, Kansas

And said second party is hereby granted the right to enter upon said premises at any time for the purpose of constructing, operating, maintaining, and repairing such utilities.

IN WITNESS WHEREOF: The said first party has signed these presents the day and year first written.



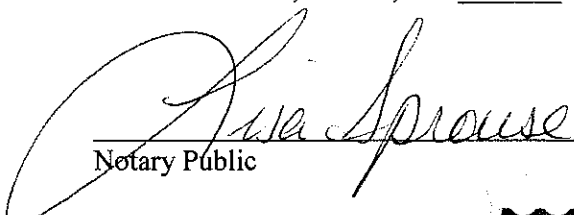
Mark Ysidro (owner)

STATE OF KANSAS)
SEDGWICK COUNTY) SS

Personally appeared before me a notary public in and for the County and State aforesaid

Mark Ysidro to me personally known to be the same person who executed the foregoing instrument of writing and said person duly acknowledged the execution thereof.

Dated at Wichita, Kansas, this 8th day of October, 2013.



Notary Public

My Commission expires: 11-21-2015



City of Wichita
City Council Meeting
November 26, 2013

TO: Wichita Housing Authority Board

SUBJECT: 2014 Mainstream Funding Submission

INITIATED BY: Housing and Community Services Department

AGENDA: Wichita Housing Authority Board (Consent)

Recommendation: Approve submission of the 2014 requisition for payment of annual contributions for the Section 8 Mainstream Program and authorize the necessary signatures.

Background: The U.S. Department of Housing and Urban Development (HUD) requires that the Wichita Housing Authority (WHA) annually submit Section 8 Mainstream budgets for HUD approval. The budget estimates the housing assistance and administrative fees necessary to support the 75 Mainstream housing choice vouchers that HUD has allocated for the WHA to help persons with disabilities obtain affordable housing. The Mainstream program allows a client to locate his or her own rental housing unit and the WHA subsidizes the rent through housing assistance payments to the landlord. The subsidy amount is based on the client's household income.

Analysis: The 2014 Mainstream budget is estimated to be \$317,439 for the period of January 1, 2014 through December 31, 2014. This will fund subsidies for 75 vouchers and will also fund administrative costs which are calculated according to the actual number of months the vouchers are in use.

Financial Considerations: The program is completely funded by Federal grants.

Legal Considerations: The required forms have been reviewed and approved as to form by the Law Department.

Recommendations/Actions: It is recommended the Wichita Housing Authority Board approve submission of the 2014 requisition for payment of annual contributions for the Section 8 Mainstream Program and authorize the necessary signatures.

Attachments:

HUD Form-52663	HUD Form-50071
HUD Form-52673	Standard Form-LLL
HUD Form-52672	Standard Form-424
HUD Form-50070	

Certification for a Drug-Free Workplace

U.S. Department of Housing and Urban Development

Applicant Name

Program/Activity Receiving Federal Grant Funding

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here ☐ if there are workplaces on file that are not identified on the attached sheets.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.

(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Title

Signature

Date

X

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (Exp. 01/31/2014)

Applicant Name	CITY OF WICHITA, KANSAS, DEPARTMENT OF HOUSING AND COMMUNITY SERVICES (WICHITA HOUSING AUTHORITY) 332 N. RIVERVIEW, WICHITA, KS	Program/Activity Receiving Federal Grant Funding
----------------	---	--

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Signature	Date (mm/dd/yyyy)

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

(See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____	
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: City of Wichita, KS-Housing & Community Services (Wichita Housing Authority) 332 N. Riverview, Wichita, Kansas 67203 Congressional District, if known			5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District if known:		
6. Federal Department/Agency:			7. Federal Program Name/Description: CFDA Number, if applicable: _____		
8. Federal Action Number, if known:			9. Award Amount, if known: \$ _____		
10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i>			b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>		
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____		
Federal Use Only:					Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

Application for Federal Assistance SF-424

Version 02

*1. Type of Submission <input type="checkbox"/> Preapplication <input type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		*2. Type of Application <input type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision		*If Revision, select appropriate letter(s): * Other (Specify)	
*3. Date Received:		4. Application Identifier:			
5a. Federal Entity Identifier:			*5b. Federal Award Identifier:		
State Use Only:					
6. Date Received by State:			7. State Application Identifier:		
8. APPLICANT INFORMATION:					
* a. Legal Name:					
* b. Employer/Taxpayer Identification Number (EIN/TIN):				*c. Organizational DUNS:	
d. Address:					
*Street1: Street 2: *City: County: *State: Province: Country:					
*Zip/ Postal Code:					
e. Organizational Unit:					
Department Name:				Division Name:	
f. Name and contact information of person to be contacted on matters involving this application:					
Prefix:		First Name:			
Middle Name:					
*Last Name:					
Suffix:					
Title:					
Organizational Affiliation:					
*Telephone Number:			Fax Number:		
*Email:					

Application for Federal Assistance SF-424

Version 02

9. Type of Applicant 1: Select Applicant Type:

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (specify):

*10. Name of Federal Agency:

11. Catalog of Federal Domestic Assistance Number:

CFDA Title:

*12. Funding Opportunity Number:

*Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

*15. Descriptive Title of Applicant's Project:

Attach supporting documents as specified in agency instructions.

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant

*b. Program/Project:

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

*a. Start Date:

*b. End Date:

18. Estimated Funding (\$):

*a. Federal

*b. Applicant

*c. State

*d. Local

*e. Other

*f. Program Income

*g. TOTAL

*19. Is Application Subject to Review By State Under Executive Order 12372 Process?

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☐ c. Program is not covered by E.O. 12372

*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)

☐ Yes

☐ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

☐ **I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:

*First Name:

Middle Name:

*Last Name:

Suffix:

*Title:

*Telephone Number:

Fax Number:

*Email:

*Signature of Authorized Representative:

Date Signed:

Application for Federal Assistance SF-424

Version 02

*Applicant Federal Debt Delinquency Explanation

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.

Suggested Format for Requisition for Partial Payment of Annual Contributions Section 8 Housing Assistance Payments Program

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(Exp. 04/30/2014)

Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless that collection displays a valid OMB control number. Authority for this collection of information is the Housing and Community Development Act of 1987. Housing Agencies (HAs) required to maintain financial reports in accordance with accepted accounting standards too permit timely and effective audits. The financial records identify the amount of annual contributions that are received and disbursed by HAs. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

1. Date of Requisition (mm/dd/yyyy)		2. No. of Months in 1st FY		4. Public Housing Agency (HA) (Name and Address)	
3. Project Number					
5. Housing Program Type (Mark one) <input type="checkbox"/> (a) Moderate Rehabilitation <input type="checkbox"/> (c) Rental Vouchers <input type="checkbox"/> (b) Rental Certificates		6. HA Fiscal Year Ending Date (Mark one box and complete year) <input type="checkbox"/> March 31, <input type="checkbox"/> June 30, <input type="checkbox"/> September 30, <input type="checkbox"/> December 31, (YYYY) _____			
7. Number of Units Under Lease to Eligible Families as of Date of Requisition	8. Average Monthly Housing Assistance Payment Per Unit as of Date of Requisition	9. Estimated Number of Units to be Under Lease at End of Requested Year	10. Unit Months Under Lease Year to Date	11. Average Monthly Housing Assistance Payment Per Unit Year to Date	

					Funds Required for Requested Year
12. Preliminary Administrative and General Expense					
13. Estimated Housing Assistance Payments (Account 4715)					
14. Estimated Ongoing Administrative Fee					
15. Estimated Hard-to-House Fee (Existing Housing Certificates and Housing Vouchers Only)					
16. Independent Public Accountant Audit Costs (Section 8 Only)					
17. Total Funds Required to End of Requested Year (Sum of Lines 12 through 16)					
18. Payments Previously Approved for the Fiscal Year (applicable only to revised requisition)					
19. Adjustment to Requisition (Difference of Line 17 and Line 18. Do not use brackets)					
20. Total Payment Requirement For Requested Year (Line 18 plus or minus adjustment on Line 19 if revised requisition. Total must equal Line 17)					

21. <input type="checkbox"/> Paid in Equal Installments (Original Requisition Only) <input type="checkbox"/> Paid in Unequal Installments						
22. Installment	1	2	3	4	5	6
HA Total						
HUD Revision						
Installment	7	8	9	10	11	12
HA Total						
HUD Revision						
23a. Total (HA) \$		23b. Total (HUD) \$		24. Revised Monthly Installments Begin Month Of:		

I Certify that (1) housing assistance payments have been or will be made only in accordance with Housing Assistance Payments Contracts or Housing Voucher contracts in the form prescribed by HUD and in accordance with HUD regulations and requirements; (2) units have been inspected by the HA in accordance with HUD regulations and requirements; and (3) this requisition for annual contributions has been examined by me and to the best of my knowledge and belief is true, correct and complete.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Title of Authorized HA Official		Title of Authorized HUD Approving Official	
Signature	Date (mm/dd/yyyy)	Signature	Date (mm/dd/yyyy)

Supporting Data for Annual Contributions Estimates

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(Exp. 4/30/2014)

Section 8 Housing Assistance Payments Program

Public reporting burden for this collection of information is estimated to average 1.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection display a valid OMB control number. Assurances of confidentiality are not provided under this collection. Authority for this collection of information is the Housing and Community Development Act of 1987. Housing Agencies (HAs) required to maintain financial reports in accordance with accepted accounting standards to permit timely and effective audits. The financial records identify the amount of annual contributions that are received and disbursed by HAs. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

1. Public Housing Agency (Name and Address)

Housing and Community Services
332 N. Riverview
Wichita, Kansas 67203
Wichita Housing Authority

2. Project No. KS004DV0001	
3. Submission X Original _____ Revision No. _____	
4. No. of Dwelling Units 75	5. No. of Unit Months 900

Part I Estimate of Annual Housing Assistance Payments Required	Bedroom Size Of Dwelling Units	Number of Dwelling Units	Monthly Gross Rent /Payment Standard	Amount Payable by Family Toward Gross Rent	Monthly Housing Assistance Payments	Unit Months Under Lease	Annual Housing Assistance Payments
6.	0BR					0	0
7.	1BR	57	581	337	244	684	166,896
8.	2BR	11	774	363	411	132	54,252
9.	3BR	7	1068	626	442	84	37,128
10.	4BR	-	-	-	-	-	-
11.	5BR	-	-	-	-	-	-
12.	6BR	-	-	-	-	-	-
75							

Based on Annual Leaseup of 900 Ums
15. Total Due to rounding 12
258,288

Part II Calculation of Estimated Ongoing Administrative Fee	Unit Months (a)	HUD Published 2-BR Fair Market Rent x (b)	Product of Columns (a) x (b) = (c)	Allowable Percent x (d)	Administrative Fee = (e)
16.	900	X	\$59.27		53,343
17.					0
18.	Total				53,343

Part III Calculation of Estimated Hard-To-House (Existing Housing Certificates and Housing Vouchers Only)	Estimated Number of Families (a)	Fee Per Family x (b)	Total Hard To House = (c)
19.	20	75	1,500

Part IV Calculation of Estimated Preliminary Expense		Requested Amount	
		Requested Amount	HUD Modifications
Administrative Expenses	20. FSS Coordinators V00F04		
	21. Employee Benefit Contributions		
	22. Legal Expense		
	23. Travel Expense		
	24. Sundry		
	25. Office Rent		
	26. Accounting and Auditing Fees		
Non-Expendable Equipment Expenses	27. Total Administrative Expenses		
	28. Office Equipment		
	29. Office Furnishings		
	30. Automotive		
	31. Other		
General Expense	32. Total Non-Expendable Equipment Expenses		
	33. Maint. and Operations (Non-Expend Equip Only)		
	34. Insurance		
	35. Sundry		
	36. Total General Expense		
Total Preliminary Expenses		37. Sum of Lines 27,32, and 36	

Submit three copies
Previous Editions are obsolete

Section 8 Housing Assistance Payments Program

OMB Approval No. 2577-0169
(Exp.9/30/2010)

Public reporting burden for this collection of information is estimated to average 1.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless that collection displays a valid OMB control number. Authority for this collection of information is the Housing and Community Development Act of 1987. Housing Agencies (HAs) required to maintain financial reports in accordance with accepted accounting standards too permit timely and effective audits. The financial records identify the amount of annual contributions that are received and disbursed by HAs. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

1. Public Housing Agency (Name and Address)			2. Project No. <div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
			3. Submission <input type="checkbox"/> Original <input type="checkbox"/> Revision No. <div style="border: 1px solid black; width: 50px; height: 20px; display: inline-block;"></div>		
4. Annual Contributions Contract No.	5. HUD Field Office	6. HUD Regional Office	7. No. Dwelling Units	8. No. Units Months	
9. Housing Program Type (Mark One) <input type="checkbox"/> (a) New Construction <input type="checkbox"/> (b) Substantial Rehabilitation <input type="checkbox"/> (c) Moderate Rehabilitation <input type="checkbox"/> (d) Existing Housing Certificates <input type="checkbox"/> (e) Housing Vouchers					
10. PHA Fiscal Year Ending Date (Mark one and complete year) <input type="checkbox"/> (a) March 31, <input type="checkbox"/> (b) June 30, <input type="checkbox"/> (c) September 30, <input type="checkbox"/> (d) December 31, YYYY <div style="border: 1px solid black; width: 50px; height: 20px; display: inline-block;"></div>					

I. Maximum Annual Contributions	PHA Estimate (Housing Vouchers Only)		PHA Estimate Total	HUD Approved (Housing Vouchers Only)		HUD Approved Total
	Housing Payments	PHA Fee		Housing Payments	PHA Fee	
11. Maximum Annual Contributions Commitment						
12. Prorata Maximum Annual Contributions Applicable to a Period in Excess of 12 Months						
13. Maximum Annual Contributions for Fiscal Year (Line 11 plus Line 12)						
14. Project Account—Estimated or Actual Balance at Beginning of Requested Fiscal Year						
15. Total Annual Contributions Available—Estimated or Actual (Line 13 plus Line 14)						

II. Maximum Annual Contributions	PHA Estimate (Housing Vouchers Only)		PHA Estimate Total	HUD Approved (Housing Vouchers Only)		HUD Approved Total
	Housing Payments	PHA Fee		Housing Payments	PHA Fee	
16. Estimated Annual Housing Assistance Payments (form HUD-52672, Line 15)						
17. Estimated Ongoing Administrative Fee (form HUD-52672, Line 18)						
18. Estimated Hard-to-House Fee (form HUD-52672, Line 19)						
19. Estimated Independent Public Accountant Audit Costs						
20. Estimated Preliminary Administrative and General Expense (form HUD-52672, Lines 27 and 36)						
21. Carryover of Preliminary Administrative and General Expense not Expended in the Previous FY Ending ()						
22. Estimated Non-Expendable Equipment Expense (form HUD-52672, Line 32)						
23. Carryover of Non-Expendable Equipment Expense not Expended in the Previous FY Ending ()						
24. Total Annual Contributions Required—Requested Fiscal Year (Lines 16 through 23)						
25. Deficit at End of Current Fiscal Year—Estimated or Actual						
26. Total Annual Contributions Required (Line 24 plus Line 25)						
27. Estimated Project Account Balance at End of Requested Fiscal Year (Line 15 minus Line 26)						
28. Provision for Project Account Requested Fiscal Year Increase (decrease) (Line 27 minus Line 14)						

III. Annual Contributions Approved						
29. Total Annual Contributions Approved/Requested Fiscal Year (Line 26 plus increase, if any, on Line 28)						
30. Source of Total Contributions Approved/Requested Fiscal Year:						
(a) Requested Fiscal Year Maximum Annual Contributions Commitment (Line 13 or Line 29, whichever is smaller)						
(b) Project Account (Line 29 minus Line 30(a))						

Name of PHA Approving Official		Name of Approving HUD Field Office Official	
Signature		Signature	
Title	Date (mm/dd/yyyy)	Title	Date (mm/dd/yyyy)

**City of Wichita
City Council Meeting
November 26, 2013**

TO: Wichita Airport Authority

SUBJECT: Safety, Security, and Communication Projects Budget Adjustments
Wichita Mid-Continent Airport

INITIATED BY: Department of Airports

AGENDA: Wichita Airport Authority (Consent)

Recommendation: Approve the budget adjustments.

Background: Within the Terminal Apron Phase III project, other airfield work will be performed to prepare for the new terminal and facilitate the Air Capital Terminal 3 (ACT 3) program and enhance airfield security. The associated work will be to remove Taxiway C-2 West to comply with a Federal Aviation Administration (FAA) Runway Safety Action Team recommendation and install airfield communications infrastructure to enhance airfield safety and security. The project will also improve an airfield storm water channel to mitigate a wildlife problem, as well as incorporate the required stormwater quality treatment to serve the new terminal project. These projects are listed in the approved Capital Improvement Program (CIP) and were initiated by the Wichita Airport Authority on December 18, 2012, with individual budgets assigned for each project.

Analysis: The projects were combined into a single construction project after conferring with the FAA in order to maximize efficiencies and grant funding opportunities. This coordination will minimize airfield disruption which will lessen the risk to airfield safety. With the opening of construction bids, the removal of Taxiway C-2 West has been calculated to cost more than originally estimated; however, the communication and security infrastructure is less expensive than estimated. The Airport Development line item in the approved CIP which was unspent in 2013 is available to cover the shortfall in this project.

Financial Considerations: This program is funded with an Airport Improvement Program grant, Passenger Facility Charge collections, available funds of the Airport, and the issuance of general obligation bonds repaid with Airport revenue. The following table depicts the CIP projects to be adjusted:

<u>Original</u>	<u>Change</u>	<u>Adjusted Amount</u>	<u>Project Description</u>
\$125,000	\$300,000	\$425,000	Taxiway C-2 Removal
\$650,000	\$-150,000	\$500,000	Communication and Security Infrastructure
\$150,000	\$-150,000	\$0	Airport Development

Legal Considerations: None.

Recommendations/Actions: It is recommended that the Wichita Airport Authority approve the budget adjustments.

Attachments: None.

City of Wichita
City Council Meeting
November 26, 2013

TO: Wichita Airport Authority

SUBJECT: Skyway Land Acquisition
Wichita Mid-Continent Airport

INITIATED BY: Department of Airports

AGENDA: Wichita Airport Authority (Consent)

Recommendation: Initiate the project and approve the budget.

Background: The Wichita Airport Authority (WAA) continues to seek opportunities to make land available that can have airfield access for large aviation-related development at Mid-Continent Airport. The acquisition of a parcel of approximately 30 acres located within the Skyway Industrial Park Second Addition (east of Tyler Road and north of K-42) that is currently owned by the City of Wichita, when combined with the adjacent airport-owned land, will provide a larger, more attractive parcel for aviation-related development having both highway and airfield access. Additionally, the WAA then has the ability to better manage the development with respect to airfield safety and security. The Federal Aviation Administration (FAA) concurs with this acquisition.

Analysis: Expenses incurred in preparation to acquire this property include environmental studies required by the FAA, and platting and zoning services. The request for authorization and budget to acquire the land will be forthcoming after preparation of contractual documents between the buyer and seller.

Financial Considerations: A budget of \$100,000 is requested to cover the initial expenses. The initial expenses will be paid with available funds of the Airport and the issuance of general obligation bonds repaid with Airport revenue.

Legal Considerations: None.

Recommendations/Actions: It is recommended that the Wichita Airport Authority approve the budget.

Attachments: None.

City of Wichita
City Council Meeting
November 26, 2013

TO: Wichita Airport Authority

SUBJECT: LeaseCorp Aviation, LLC
Commercial Hangar Operator Use and Lease Agreement
Use of Land at 1410 S. Airport Road, Wichita Mid-Continent Airport

INITIATED BY: Department of Airports

AGENDA: Wichita Airport Authority (Consent)

Recommendation: Approve the agreement.

Background: Since April 2011, the Wichita Airport Authority (WAA) has had a lease agreement with Fugate Aviation, Inc. (Fugate) for use of 1410 S. Airport Road and 1420 S. Airport Road on Mid-Continent Airport. An aircraft storage hangar was completed in January 2012 at 1420 S. Airport Road. The lease allowed Fugate to develop a second hangar located at 1410 S. Airport Road, containing 52,502 sq. ft. of land, within a 30-month period. Fugate has determined that the parcel is no longer needed and will relinquish it for others to develop.

On June 12, 2012, the WAA approved an agreement with LeaseCorp Aviation, LLC (LeaseCorp) to lease land and to construct two 10,000 sq. ft. hangars at 1404 S. Airport Road on Mid-Continent Airport, both of which have now been completed.

Analysis: LeaseCorp is desirous of leasing the 52,502 sq. ft. of land at 1410 S. Airport Road relinquished by Fugate to construct an approximately 19,859 sq. ft. hangar. The estimated construction cost to build the hangar is \$1.8 million. The hangar will be built with private financing from the tenant. It is the WAA's policy that all facilities located on Wichita Mid-Continent Airport and Colonel James Jabara Airport are owned by the WAA, with the exception of a few governmental facilities. The hangar will be located at the north end of the Airport, and will be used for aircraft storage and related activities. The initial term of the lease is 20 years with two, five-year option terms.

Financial Considerations: The lease of land will transfer from Fugate to LeaseCorp, so there is no financial impact to the WAA.

Legal Considerations: The agreement has been reviewed and approved as to form by the Law Department.

Recommendations/Actions: It is recommended that the Wichita Airport Authority approve the agreement and authorize the necessary signatures.

Attachments: Agreement.

USE AND LEASE AGREEMENT

By and Between

WICHITA AIRPORT AUTHORITY
Wichita, Kansas

and

LeaseCorp Aviation, LLC

for

Commercial Hangar Operator
Use and Lease Agreement
Wichita Mid-Continent Airport
Wichita, Kansas

THIS AGREEMENT is entered into this November 26, 2013, between THE WICHITA AIRPORT AUTHORITY, Wichita, Kansas (LESSOR) and LeaseCorp Aviation, LLC Federal Tax Identification #46-1861240 (LESSEE).

WHEREAS, LESSOR is a governmental or quasi-governmental entity authorized under the laws of the State of Kansas to own and operate one or more airports, with full, lawful power and authority to enter into binding legal instruments by and through its governing body; and

WHEREAS, LESSOR owns, operates, regulates, administers, and maintains the campus of Wichita Mid-Continent Airport (Airport); and

WHEREAS, LESSEE is an individual, or an entity authorized to operate in the state of Kansas that desires to lease a parcel or parcels of land defined below (Premises) on the campus of Wichita Mid-Continent Airport (Airport) from LESSOR under the terms and conditions set forth below in this Use and Lease Agreement (Agreement) for the purpose of constructing a commercial hangar by LESSEE on the Premises;

NOW, THEREFORE, in consideration of the mutual promises and agreements herein set forth, LESSOR and LESSEE do hereby covenant and agree as follows:

1. PREMISES

LESSOR agrees to let to LESSEE, and LESSEE does hereby rent from LESSOR certain real property located at 1410 S. Airport Road, consisting of 60,418 sq. ft. of land and 50 sq. ft. of land, (Premises), as set forth and shown on the attached Exhibit "A". The Premises shall include the land and any facilities, structures and improvements located and constructed on the land.

Except as may be otherwise expressly provided in this Agreement, the taking of possession of the Premises by LESSEE shall in itself constitute acknowledgement that the Premises are in good and tenantable condition, and LESSEE agrees to accept Premises in its presently existing condition, "as is," "where is," and that LESSOR shall not be obligated to make any improvements or modifications thereto except to the extent that may otherwise be expressly provided in this Agreement.

2. INITIAL TERM

The Term of this Agreement shall commence on October 1, 2013, and shall continue for a period of twenty years ("Initial Term"), with the Initial Term expiring on September 30, 2033, unless otherwise terminated under provisions agreed to herein.

3. OPTION TERMS

This Agreement may be renewed for two (2), consecutive five (5) year periods ("Option Term"), provided LESSEE is not in default hereunder beyond any applicable grace or cure periods in Rent or other payments to LESSOR at the time notice requesting exercising an Option Term is given. If LESSEE wishes to exercise an Option Term, written notice shall be submitted to LESSOR no less than ninety (90) days prior to the expiration of the Initial Term (for 1st 5-year option), and ninety (90) days prior to the expiration of the first Option Term (for 2nd 5-year option). If LESSEE is in default of any obligation under this Agreement beyond the time periods expressly allowed in this Section then any notice attempting to exercise the Option Term(s) shall be void.

The first Option Term, if exercised by mutual agreement of both parties, shall commence on October 1, 2033, and expire on September 30, 2038. The second Option Term, if exercised by mutual agreement of both parties, shall commence on October 1, 2038, and expire on September 30, 2043.

4. LAND RENT DURING INITIAL TERM

Upon commencement of this Agreement, LESSEE shall pay to LESSOR basic land rental for the Premises located at 1410 S. Airport Road, containing 60,418 sq. ft. and 50 sq. ft. That rent shall be calculated as follows:

INITIAL TERM					
1410 S. Airport Road – 60,418 Sq. Ft.					
Sign – 50 Sq. Ft.					
Total Sq. Ft. = 60,468 Sq. Ft.					
Years			Rate Per Sq. Ft.	Annual	Monthly
10/01/2013	-	09/30/2018	.2081	\$12,583.39	\$1,048.62
10/01/2018	-	09/30/2023	.2185	\$13,212.26	\$1,101.02
10/01/2023	-	09/30/2028	.2294	\$13,871.36	\$1,155.95
10/01/2028	-	09/30/2033	.2409	\$14,566.74	\$1,213.90

5. INFRASTRUCTURE COSTS

LESSOR agrees to install the primary electrical system to serve the Premises as set forth and shown on the attached Exhibit “A”. LESSEE agrees to reimburse LESSOR for the full cost to install the primary electrical system, to include but not limited to the transformer, immediately after completion of the primary electrical system installation. LESSOR and LESSEE shall mutually agree to the total cost of the primary electrical system installation, to include all the charges from the contractor to LESSOR, to include but not limited to design and inspection fees, prior to acceptance of the contractor’s bid. If LESSEE chooses to not accept the contractor’s bid, then LESSEE shall reimburse LESSOR’s charges accrued and associated to the electrical system installation. LESSOR shall notify the LESSEE of any change orders required to complete the electrical system installation and LESSEE agrees to reimburse for any change order costs associated to this project.

LESSOR agrees to construct two taxiway entrance connectors, including but not limited to associated drainage, signage and taxiway lighting as set forth and shown on the attached Exhibit "A". LESSEE agrees to reimburse LESSOR for the full cost to construct the fifty-foot (50') wide taxiway entrance connector located between Taxiway H-1 and the Premises. LESSOR shall be responsible for the cost of the thirty-five feet (35') wide taxiway entrance connector located between Taxiway H and the Premises, and shown on the attached Exhibit "A". LESSEE agrees to reimburse LESSOR immediately after completion of the construction for the fifty-foot (50') wide taxiway entrance connector as described in this paragraph. LESSOR and LESSEE shall mutually agree to the total cost of the fifty-foot (50') wide taxiway entrance connector, to include all the charges from the contractor to LESSOR, to include but not limited to design and inspection fees, prior to acceptance of the contractor's bid. If LESSEE chooses to not accept the contractor's bid, then LESSEE shall reimburse LESSOR's charges accrued and associated to the fifty-foot (50') wide taxiway entrance connector construction. LESSOR shall notify the LESSEE of any change orders required to complete the fifty-foot (50') wide taxiway entrance connector and LESSEE agrees to reimburse for any change order costs associated to this project.

Failure of the LESSEE to reimburse LESSOR for the primary electrical system and the costs for the fifty-foot (50') wide taxiway entrance connector, as described in the previous paragraphs, shall constitute a default of this Agreement governed by the terms under Section 33 CANCELLATION BY LESSOR.

6. FACILITY RENT DURING OPTION TERM

Facility rental for all facilities shall commence at the beginning of the Second Option Term. Facility rental for all facilities, structures, fixtures and improvements on the real estate during the Second Option Term period, if exercised, shall be set at the then-current market value of such facilities, structures, fixtures and improvements as determined by a single independent third-party licensed and accredited commercial property appraiser with offices in Wichita, Kansas, and experience with the local commercial property market. The appraiser shall be selected by agreement of the parties. In the event that the parties cannot agree on this selection within 15 days after notice is given for exercise of the Second Option Term, then this appraiser role shall be filed by designation of the chair person of the board of appraisers issuing the most recently completed condemnation action filed by the City of Wichita. The valuation established by the selected or designated appraiser shall be conclusive on the parties.

7. LAND RENT DURING OPTION TERM

It is understood and agreed that basic land rental during the Option Term, if exercised, shall be as follows:

FIRST OPTION TERM					
1410 S. Airport Road – 60,418 Sq. Ft.					
Sign – 50 Sq. Ft.					
Total Sq. Ft. = 60,468 Sq. Ft.					
Years			Rate Per Sq. Ft.	Annual	Monthly
10/01/2033	-	09/30/2038	.2529	\$15,292.36	\$1,274.36

SECOND OPTION TERM					
1410 S. Airport Road – 60,418 Sq. Ft.					
Sign – 50 Sq. Ft.					
Total Sq. Ft. = 60,468 Sq. Ft.					
Years			Rate Per Sq. Ft.	Annual	Monthly
10/01/2038	-	09/30/2043	.2655	\$16,054.25	\$1,337.85

8. OTHER FEES AND CHARGES

It is understood and agreed by LESSEE that LESSOR may assess fees and charges to LESSEE according to rates established by LESSOR's Schedule of Fees and Charges. Such Schedule shall be amended from time to time by action of the LESSOR.

9. PAYMENT PROCEDURE

LESSEE shall pay to LESSOR in advance on the first day of each month, without demand or invoicing, for both facility rental and land rental for the Premises as set forth herein. In the event LESSEE fails to make payment within ten (10) days of the dates due as set forth in this Agreement, then LESSOR, may charge LESSEE a monthly service charge of twelve percent (12%) on an annual basis for any such overdue amount, unless a lesser sum is set as the

maximum allowable under state statutes on any such overdue amount, plus reasonable attorneys' and administrative fees incurred by LESSOR in attempting to obtain payment.

LESSEE shall make all payments to the Wichita Airport Authority, and in a form acceptable to LESSOR. ACH direct deposit is preferred. Bank account and routing information is available upon request. Payments made by check shall be delivered or mailed to:

Wichita Airport Authority
2173 Air Cargo Road
Wichita, Kansas 67209

or such other address as designated in writing.

10. LESSEE'S IDENTITY

LESSEE must be a natural person or an entity, firm, company, corporation, partnership, limited liability company, or a joint venture which has substance under State of Kansas Law and a specific legal identity and business purpose as registered with the Secretary of State in the LESSEE's state of business residence.

11. PERMITTED USE OF PREMISES

Upon performance of all provisions contained in this Agreement, LESSEE, as a Commercial Hangar Operator (CHO), shall have the right of use of the Premises to develop, operate and maintain hangar and support facilities for the purpose of furnishing to the public aircraft storage hangar facilities on a long-term rental/sub-lease basis in compliance with the LESSOR's Minimum Standards for Aeronautical Activity as set forth and shown on the attached Exhibit "B". Other commercial activities or services, including but not limited to flight training, aircraft charter, aircraft maintenance, aircraft and components sales may be permitted if the proposed commercial activity will meet all requirements of the Minimum Standards for Aeronautical Activity, appropriate space is available, proper parking is developed, and security/access controls are established.

LESSEE shall have the right of ingress and egress, in common with others, for both vehicles and aircraft, for the benefit of its employees, invitees, contractors, subcontractors, agents and representatives, to be exercised in a reasonable manner. This right of ingress and egress is granted for activities incidental or related to LESSEE'S approved activities, and for no other purposes except as may be approved in writing by LESSOR. This right is subject to federal, state

and local security and safety requirements and standards. As required by Kansas state statute, it is understood and agreed that the Premises shall be used and occupied for aviation purposes or purposes incidental or related thereto in support of a commercial hangar operator.

LESSEE recognizes that other tenants now and hereafter may occupy other portions of the Airport, and that such other tenants shall have the right to use public roadways, streets, ramps, taxiways, runways, access gates, lighting, beacons, navigational aids, or other conveniences for aeronautical operations, and these common facilities are not under an exclusive use lease; and LESSEE shall conduct its operations in such a manner as to not impede access by others to these common facilities, nor in any other way interfere with, nor disrupt the business of other tenants or the quiet enjoyment of their leasehold interests at the Airport.

LESSOR reserves the right to grant and/or permit other parties the right to use any portion of the Airport, except that described in Section 1, Premises, for any permitted purpose, and upon any fair and non-discriminatory terms established by the LESSOR.

LESSEE, its affiliated entities, subsidiaries, employees, agents, representatives, contractors, and subcontractors, will not transact or otherwise engage in any other activities, business, and/or services on or from the Premises, except as described in this Agreement, unless such is provided for by a separate written approval, or amendment to this Agreement, and subject to approval by LESSOR. LESSEE shall at all times maintain compliance with the LESSOR's Minimum Standards as set forth and shown on the attached Exhibit "B".

12. PROHIBITED USE OF PREMISES

The Premises shall not be used for any purpose not expressly authorized in Section 11, Permitted Use of Premises. The following operations, services and concessions shall be specifically prohibited on or from the Premises or any other location at the Airport:

- (a) Commercial catering, restaurant and/or lounge concessions;
- (b) Commercial (for hire) ground transportation;
- (c) Commercial "paid" parking;
- (d) Commercial hotel or lodging;
- (e) Sale of non-aviation products and services;
- (f) "Short-term" aircraft storage (less than six (6) months);
- (g) Sale, trade or bartering of aviation fuels, or other fuel or lubricant products;
- (h) Revenue-producing communication systems or systems not directly applicable to LESSEE's operations on the Premises;
- (i) Automobile rental service;

- (j) Storage and/or maintenance of any auto, truck, trailer, camper, boat, jet ski, motor cycle, recreational vehicle or other non-aviation or non-aircraft service and support vehicle or equipment;
- (k) Commercial outdoor advertising;
- (l) Any activity reasonably considered by LESSOR to not be aviation purposes or purposes incidental or related thereto in connection with a commercial hangar operator.

The LESSEE shall not perform, or allow to be performed any engine “run-up” in excess of fifty percent (50%) power level on the Premises.

13. NON-EXCLUSIVE USE OF CERTAIN FACILITIES

LESSOR grants the LESSEE, in common with other users, the non-exclusive use of the Airport and appurtenances, together with all facilities, improvements and services which are now, or may hereafter be provided at, or in connection with the Airport. This use is limited to the purposes for which such facilities were designed and constructed, and for no other purposes, and is available only from time to time and on a non-exclusive use basis, according to the discretionary operational decisions of LESSOR. These facilities include, but are not limited to roadways, streets, ramps, taxiways, runways, access gates, lighting, beacons, navigational aids, or other conveniences for aeronautical operations which are not exclusively leased areas of the LESSEE or of any other tenant on the Airport.

14. LESSEE’S RIGHTS AND PRIVILEGES

LESSEE shall have the following rights and privileges on the Premises and on the Airport:

- (a) The rights to install, operate, repair, and store upon the Premises all personal property and fixtures necessary for the conduct of LESSEE’s lawful business.
- (b) The right of ingress and egress to and from the Premises, which rights shall extend to LESSEE’s invitees, contractors, subcontractors, agents, representatives and employees; subject, however, to all reasonable security regulations;
- (c) The right in common with others authorized to do so, to use the common areas of the Airport, consisting of but not limited to roadways, streets, ramps, taxiways, runways, access gates, lighting beacons, and navigational aids.
- (d) The right to uninterrupted taxiway connection and access from the Premises to the LESSOR’s air operations area (AOA) connecting and adjacent to the Premises.

15. LESSOR'S RIGHTS AND PRIVILEGES

LESSOR expressly reserves from the Premises:

- (a) Mineral Rights. All gas, oil and mineral rights in and under the soil.
- (b) Water Rights. All statutory, exempt, vested, and granted appropriation rights for the use of water, and all rights to request further appropriations for the Premises.
- (c) Airspace. A public right of flight through the airspace above the surface of the Premises. This public right of flight will include the right to cause or allow in said airspace, any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operation on the Airport. No liability on the part of LESSOR or any Tenant will result from the exercise of this right.
- (d) Navigational Aids. The right to install, maintain and modify and/or permit others to install, maintain and modify on the Premises visual and electronic navigational aids.
- (e) Entry and Inspection of Premises. The right of LESSOR, its authorized officers, employees, agents, contractors, subcontractors, authorized government agents, or other representatives to enter upon the Premises:
 - (1) To inspect at reasonable intervals during regular business hours (or any time in case of emergency or lawful investigation) to determine whether LESSEE has complied, and is complying with the terms and conditions of this Agreement;
 - (2) To Inspect Premises, facilities, and equipment for compliance with laws, regulations and/or codes of the federal, state or local government, airport rules and regulations and airport standard operating procedures; and
 - (3) To construct or erect new facilities, or to perform maintenance, repair, or replacement relating to the Premises or any facility thereon, as may be required and necessary, but LESSOR shall not be obligated to exercise this option.
- (f) Radio/Wireless Communication Systems. The right to approve or withhold approval of any use of fixed RF Systems for the transmission of radio frequency signals in/on the Premises.
- (g) General Provisions. The right to exercise any and all rights set out in Section 54, General Provisions.
- (h) Signage. The right to enter onto the premises for installation, and the right to install any signage on the Premises required by law, order, rule, regulation, Airport Security Program or federal directive.

Provided that exercise by LESSOR of any such reserved rights (a) through (h) shall be without expense to the LESSEE and shall not unreasonably or materially interfere with LESSEE's use of the Premises and shall not delay LESSEE in the exercise of its rights or the performance of its duties hereunder or increase the costs of such performance.

16. NON-INTERFERENCE WITH AIRPORT OPERATIONS

LESSEE covenants and agrees that it shall not allow any condition on the Premises, nor permit the conduct of any activity on such Premises, which shall materially or adversely affect the development, improvement, operation, or maintenance of the Airport or its facilities, nor shall LESSEE use or permit the Premises to be used in any manner which might interfere with the landing and take-off of aircraft from the Airport or otherwise constitute a hazard to the general public, or to LESSOR's tenants or the customers, agents, invitees, contractors, representatives and employees of those tenants.

LESSEE covenants and agrees that it shall not allow any condition on the Premises, nor permit the conduct of any activity on such Premises, which shall materially or adversely affect, infringe upon, block or interrupt the operations and business activity of other airport tenant leaseholds.

17. COOPERATION WITH AIRPORT DEVELOPMENT

LESSEE understands and agrees that LESSOR may pursue Airport development, improvements and maintenance activities from time-to-time that may affect the Premises and other areas of the Airport. LESSEE agrees to work cooperatively and in good faith with the LESSOR and other tenants and contractors in development, improvement and maintenance activities to minimize any disruptions. If requested by the LESSOR, LESSEE shall cooperate with and assist the LESSOR to the greatest extent possible in the development and implementation of any plans, designs, ingress/egress, or transition that may arise in connection with such Airport development, improvement, and maintenance activities. LESSOR may temporarily or permanently close, re-route, or consent to the closing or re-routing of any method of ingress or egress on the Airport, so long as the means of ingress and egress are reasonably equivalent to current access available to LESSEE. LESSOR may temporarily close the runway, taxiways, ramps or portions thereof for purposes of maintenance, replacement, re-construction or expansion. Provided that exercise by LESSOR of any such Airport development, improvement, or maintenance shall be without expense to the LESSEE and shall not unreasonably or materially interfere with LESSEE's use of the Premises, and shall not delay LESSEE in the exercise of its rights or the performance of its duties hereunder or increase the costs of such performance.

18. DESIGN AND CONSTRUCTION

LESSEE agrees to construct a minimum of 19,859 sq. ft. facility or facilities on the Premises shown on Exhibit "A" as 1410 S. Airport Road. LESSEE warrants that the improvements, when completed, will be necessary or useful by LESSEE for activities allowed under this Agreement. LESSEE agrees to proceed diligently to complete the improvements. It shall be treated as an event of default under this Agreement if construction of the facilities on 1410 S. Airport Road has not commenced within two hundred and seventy (270) days, or may be changed at the discretion of the Director of Airports, from the commencement of the Initial Term of this Agreement. Such failure to commence construction shall be treated as an event of default under Section 33, Cancellation by Lessor. It shall be treated as an event of default under this Agreement if a Certificate of Occupancy is not issued by the City of Wichita for the facilities on 1410 S. Airport Road within twelve (12) calendar months from the issuance of construction notice-to-proceed. LESSOR may extend such time periods in writing at its complete discretion.

If the Agreement is cancelled due to failure to commence or complete the construction as set forth in this Section, LESSEE shall, at LESSOR'S election at LESSEE's sole expense, be required to restore the Premises to a like and comparable condition as existed at the commencement date of this Agreement. This restoration shall be completed within a time period of ninety (90) calendar days from expiration of LESSEE'S opportunity to cure as set out in Section 33, Cancellation by Lessor. At the end of the ninety (90) day period described above, LESSEE shall vacate the Premises, and LESSOR shall be entitled to complete the restoration work at LESSEE'S expense, plus an additional twenty percent (20%) administrative fee to be paid by LESSEE directly to LESSOR. The parties recognize that the Premises are unique property of substantial value, and stipulate that injunctive relief is appropriate to enforce the provisions of this Section. Irrespective of the performance under this Section, LESSEE shall be obligated for all rental payments under this Agreement until the Premises are both vacated and restored. At LESSOR's election, LESSOR shall have the option to complete the construction, utilizing the performance bonds to the extent available at LESSEE's sole expense, as set forth in Section 20, Construction Costs in lieu of restoration.

LESSEE shall design and construct facilities and improvements on the Premises subject to the LESSOR'S express approval of LESSEE'S proposed plans and specifications. Such construction shall adhere to the terms of this Agreement and to any additional design and construction standards, Airport Standard Operating Procedures, Airport Minimum Standards, Airport Security Program, and any other applicable regulations, codes and requirements set out by LESSOR or any governmental agency, or unit. Plans and specification review submittals shall follow accepted practice for such deliverables, and the LESSOR shall provide comments, as applicable, on each submittal. Upon the LESSOR's reasonable request, the LESSEE shall provide additional or supplemental submittals, as may be reasonably required, to fully understand the

proposed improvements. No above-ground wires or other utilities shall be installed on the Premises. LESSEE shall construct and maintain at its own expense, paved taxiway access to the Airport's existing taxiway system. All aircraft pavement provided by LESSEE shall be designed and constructed in full conformance with applicable LESSOR and FAA standards for the largest type of aircraft expected to use the Premises.

LESSEE shall provide a storm water management plan as part of the preliminary plan review process. Storm water management facilities shall be designed and maintained in accordance with guidelines established by the City of Wichita, the Wichita Airport Authority, and all federal agencies. No construction, development or subsequent activities shall be allowed to cause adverse drainage issues such as erosion, blocking the flow of water, etc. Upon LESSOR'S approval of all plans and specifications and upon approval and issuance of required building permits by the City of Wichita Office, the LESSEE and LESSEE's employees, contractors, subcontractors, suppliers, agents, and/or representatives shall have the right to enter upon the Premises and commence construction. Stormwater best management practices (BMPs) shall be installed and maintained as required by LESSOR, and other federal, state, and local agencies having regulatory jurisdictional authority.

LESSEE agrees: (1) construction shall be administered and observed on-site by construction and/or design professionals and Job Site Requirement document to ensure compliance with the approved plans and specifications; (2) proposed construction modifications, amendments or changes to the LESSOR approved plans and specifications shall be submitted to LESSOR for prior approval; (3) to install a temporary security and/or construction barricade fence as directed by the LESSOR at LESSEE's expense (4) to repair or replace, at LESSEE's expense and to LESSOR's satisfaction, property damaged in the construction of the facilities and improvements by LESSEE, its contractors, agents or employees; and (5) to provide LESSOR, within thirty (30) days following occupancy of the facilities, a complete reproducible set of as-built record drawings, along with a certification of project costs for all permanent improvements. Upon completion of the facility, LESSEE shall furnish a letter to LESSOR warranting that: (1) the improvements have been completed in accordance with the approved plans and specifications; (2) the improvements have been completed in a good and skilled manner; (3) no liens have been filed, nor is there any basis for the filing of such liens with respect to the improvements; and (4) all improvements constituting a part of the project are located or installed upon the Premises. Inaccurate or false certifications under this Section shall be a breach of this Agreement which the parties agree may only be remedied by specific performance whenever discovered. LESSEE's obligation to cure deficiencies in the improvements to the Premises by performance in a good and skilled manner shall survive this Agreement.

Plan approval described in this Section shall not be deemed approval as required for the Zoning Code, Building Code, or any other approval required by the City of Wichita. LESSEE shall

indemnify and hold the LESSOR harmless for any liability for regulatory or governmental approvals or the failure to obtain the same. LESSEE shall be responsible for obtaining all permits and approvals required for the construction, maintenance, operation and use of all facilities on the Premises. Improvements within the secured area and AOA shall conform to Federal Aviation Administration and Transportation Security Administration regulations, standards and criteria for design, construction, inspection and testing. LESSEE shall use reasonable efforts to coordinate the construction of the improvements with time schedules established by the LESSOR, should other construction be occurring at the Airport which may be impacted by this project.

19. FUTURE ALTERATION AND IMPROVEMENT STANDARDS

Once the initial improvements are completed, LESSEE may, with prior written approval of LESSOR, and by lease amendment, if appropriate, add to, improve, or alter the Premises subject to all conditions set forth herein. Any such addition or alteration shall be subject to the same design, construction and use requirements established for initial construction as set forth in Section 18, Design and Construction. Any such addition or alteration must be designed and constructed in a manner that will not weaken or impair the structural strength or reduce the value or functionality of the Premises or existing improvements thereon. It shall be the responsibility of LESSEE to file all necessary alteration and construction forms with the Director of Airports, as the LESSOR's representative, for submission to the Federal Aviation Administration or the Transportation Security Administration for approval.

20. CONSTRUCTION COSTS

LESSEE agrees to pay all costs incurred in connection with the construction of the new structures, facilities and improvements, and future additions, improvements and alterations, unless otherwise expressly agreed to in writing by the LESSEE and LESSOR. LESSEE agrees to make direct payment to all materials, product and service providers for all such costs as they are incurred. LESSEE shall have no right, authority, or power to bind LESSOR or any interest of LESSOR in the Premises, for the payment of any claim for labor or material or for any charge or expense incurred in the erection, construction, operation, or maintenance of said improvements and Premises.

Before beginning construction, LESSEE shall, by agreement with its contractor or otherwise, provide performance, labor and material payment bonds and statutory bonds with respect to all improvements to be constructed on the Premises in the full amount for the project contract. The general contractor under any such contract shall be the principal and a surety company or

companies qualified to do business in Kansas shall serve as surety. Such performance, labor and material payment bonds shall name the Wichita Airport Authority and the City of Wichita, Kansas as the obligees. Satisfaction of this requirement shall not be the basis for an extension of the Section 18, Design and Construction, construction period.

For any construction on the Premises, LESSEE shall purchase and maintain a builder's risk insurance policy, or require its prime contractor to carry such policies, in a sum equal to the full project replacement value as set forth in Section 29, Liability Insurance. Builder's Risk coverages shall be in effect from the date of the construction notice-to-proceed and continue in force until all financial interest ceases. LESSEE shall also purchase and maintain any other insurance policies described in Job Site Requirements document relating to construction of the Premises. All other coverages shall remain in force as described in the Job Site Requirement document. The Wichita Airport Authority and the City of Wichita shall be named as additional insured on such policies, and all policies shall be written by insurers subject to LESSOR's reasonable approval.

21. CONSTRUCTION INSPECTIONS

LESSOR shall have the right at any reasonable time prior to the completion of the construction of facilities and improvements and any future alterations and improvements thereto, to enter upon the Premises for the purpose of inspecting the construction thereof, to determine whether or not the improvements are being constructed substantially in accordance with the plans and specifications. If at any time during the progress of such construction, it is determined that the improvements are not being constructed substantially in accordance with the plans and specifications, upon receipt of written notice from the LESSOR, the LESSEE shall make or cause to be made such reasonable alterations as may be required to cause the improvements to substantially conform to the plans and specifications. However, LESSOR has no duty to undertake such inspections, and LESSOR will not be held to any duty of care regarding such inspections, if conducted. This Section shall have no effect on LESSEE'S obligations created under Section 18, Design and Construction.

22. REMOVAL AND DEMOLITION

LESSEE shall not remove or demolish, in whole or in part, any improvements upon the Premises without the prior written consent of the LESSOR, which may, at its discretion, condition such consent upon the obligation of LESSEE replacing the same by a reasonable improvement specified in such consent. LESSEE shall obtain written consent before commencing demolition and restoration as described under Section 18, Design and Construction. Failure to obtain this

consent shall entitle the Authority to such compensation as is necessary to restore the affected improvements.

23. TITLE TO FACILITIES, IMPROVEMENTS AND FIXTURES

It is understood and agreed that title to the Premises and to all existing and future structures, facilities, improvements and fixtures shall be, and shall remain, exclusively with LESSOR, the Wichita Airport Authority.

LESSEE shall, without cost to LESSOR, furnish and install all non-attached furniture, movable partitions, decorations, accessories, equipment, and tools necessary to conduct its business, which shall retain status as personal property even though temporarily affixed to the Premises. Title/ownership to non-attached personal property shall remain with LESSEE.

The term "fixtures", whenever used in this Agreement, shall be construed to include all structures and fixed systems and equipment erected or installed upon the Premises, all fencing, grading and pavement, all underground wires, cables, pipes, conduits, tanks, drains and drainages; and all other property of every kind and nature which is permanently affixed to the Premises, except LESSEE's personal property.

All facilities, structures and improvements, and alterations and additions to the Premises, excluding personal property of LESSEE, placed at the expense of LESSEE, shall remain upon and be surrendered with the Premises as a part thereof, on any termination of this Agreement, for any cause, and shall remain the property of the LESSOR.

24. LIENS

LESSEE shall take or cause to be taken all steps that are required or permitted by law in order to avoid the imposition of any lien upon the Premises or any improvements thereon. Should any lien be placed on the Premises or any improvements thereon, LESSEE shall cause to be removed any and all liens of any nature. This obligation includes, but is not limited to, tax liens and liens arising out of or because of any financing, construction or installation performed by or on behalf of LESSEE or any of its contractors or subcontractors upon LESSEE's Premises or arising out of or because of the performance of any work or labor to it or them at said Premises or the furnishing of any materials to it or them for use at said Premises. Should any such lien be made or filed, LESSEE shall bond against or discharge the same within thirty (30) days after actual notice of the same from any source, whether from LESSOR or otherwise, and provide written proof of discharge or bonding to LESSOR within that time. LESSEE acknowledges that

LESSEE acquires no equity interest in the Premises, notwithstanding its construction of improvements on the Premises. Although such improvements accrue to the LESSOR, improvements are for the enhancement of LESSEE's use of the Premises. LESSEE has no agency authority to act on behalf of LESSOR for any such construction. LESSEE may not mortgage or pledge as collateral its leasehold interest herein without the prior written consent of the LESSOR.

LESSOR may consent, upon LESSEE's written request, to an assignment of rents to a governmentally regulated and insured commercial lender as partial security for financing of LESSEE's activities on the Premises, which assignment is intended to be a present transfer to such lender of all of LESSEE's rights to collect and receive rents and charges from approved users, operators, sublessees and permittees. Lender(s) shall have no rights to assign this Agreement or sublease the Premises without the prior written consent of the LESSOR as required under Section 27, Assignment and Section 28, Subleasing, Permitting and Contracting. Upon LESSEE's written consent LESSOR agrees to give Lender(s) notice of any default or cancellation of the Agreement, and allow Lender(s) the same opportunity as the LESSEE under the Agreement to correct any condition or cure any default. Nothing in this Section is intended to relieve the LESSEE of its obligations under this Agreement.

25. TAXES, LICENSES AND PERMITS

LESSEE shall promptly pay all taxes, excises, license fees and permit fees of whatever nature applicable to its operation or lease of the Premises. LESSEE may elect, however, at its own cost and expense, to contest any such tax, excise, levy, or assessment. LESSEE will keep current all Federal, State or local licenses, operating certificates or permits required for the conduct of its operations. LESSEE represents and warrants to LESSOR that it has obtained all license, franchise, operating certificates or other agreements or permits necessary to operate LESSEE's operation in accordance with the terms of this Agreement, and LESSEE covenants to keep all such licenses, franchises, permits, operating certificates and other agreements in full force and effect during the Term of this Agreement.

LESSEE shall pay all lawful taxes and assessments which, during the term hereof, may become a lien upon or which may be levied by the State, County, City or any other tax levying body, upon the leased Premises or upon any taxable interest of LESSEE acquired in this lease agreement, or any taxable possessory right which LESSEE may have in or to the leased Premises, including any improvements or facilities located on the Premises, as well as LESSEE shall also pay all lawful taxes and assessments on taxable property, real or personal, owned by LESSEE in and about said Premises. Nothing in this Section shall prevent LESSEE from contesting the legality, validity or application of any such tax or assessment to the full extent LESSEE may be lawfully entitled so

to do.

26. UTILITIES

LESSEE shall pay all costs for utility services (whether for installation, service, administration, connection, or maintenance thereof) used by LESSEE at or upon the Premises with no responsibility or expense accruing or inuring to LESSOR, including all permits, licenses or authorizations necessary in connection therewith. Such payments by LESSEE shall be made directly to the utility supplier or service provider, except that if such utilities should be supplied by the LESSOR, then in this event, LESSEE will pay those costs to LESSOR within thirty (30) days after receipt of LESSOR'S invoice. LESSOR agrees that any such costs invoiced to LESSEE will be based on the rates charged to LESSOR by utility supplier, plus reasonable capital and administrative recovery costs.

Unless otherwise agreed upon in writing, if LESSEE requires utilities beyond that currently provided or that are available to be extended to the Premises boundary, LESSEE agrees to pay the full cost and expense associated with the upgrade/extension/installation of all such utilities related to its use of the Premises, and to comply with all provisions for maintaining such utilities.

The LESSOR reserves for itself the right to upgrade, extend, install, maintain and repair all utilities and services on or across the Premises, whether or not such services or utilities are for the benefit of LESSEE. The LESSOR shall take all reasonable care and diligence to protect existing improvements and utilities, and shall avoid to the greatest extent possible any unreasonable interference or interruption to LESSEE's operations.

All electrical, data and communications utilities installed or caused to be installed shall be underground, and no utility services or other cables or wires shall be installed on poles or otherwise above ground. Unless otherwise provided in this Agreement, all utilities and conduits or ducts installed by anyone on the Premises shall be considered fixtures as defined under Section 23, Title to Facilities, Improvements and Fixtures, and shall become the owned property of LESSOR. All utility facilities installations shall meet the requirements of Section 19, Future Alteration and Improvement Standards of this Agreement.

Wastes not legally permitted and authorized for disposal into the storm and/or sanitary drainage system shall not be discharged, connected or introduced into storm and/or sanitary drains and the storm and/or sanitary drainage system. LESSEE shall take all reasonable precautions to prevent the discharge of material into any drainage system that would create interference with the flow therein, or that would cause a hazard or unlawful contamination thereto. A copy of LESSEE's Stormwater Pollution Prevention Plan and Spill Prevention Control and Countermeasure Plan

shall be submitted to the LESSOR upon the LESSOR's request.

27. ASSIGNMENT

With the exception of assignment to a parent or "holding" company or subsidiary, LESSEE shall have no right to assign or delegate any of its rights or duties pursuant to this Agreement without the prior written consent of LESSOR. Any assignment or delegation so made and so permitted shall be subject to all terms, conditions and other provisions of this Agreement. Any attempted assignment or delegation in violation of this provision shall be void and have no force or effect whatsoever.

28. SUBLEASING, PERMITTING AND CONTRACTING

LESSEE shall not sublease, rent or permit any persons, firms or corporations to occupy any part of the Premises, or to provide any type of commercial or non-commercial operation, aviation or otherwise, on the Premises without having first received the prior written consent of LESSOR, granted only under the following conditions:

(a) Any arrangements must be in the form of a written instrument and must be for purposes and uses of the Premises as authorized under this Agreement, and shall be subject to the provisions of this Agreement. LESSEE shall submit a copy of such proposed instrument at the time of requesting consent of LESSOR.

(b) All sublease(s) must comply with Sections 11 and 12 of this Agreement, and will be reviewed for compliance by LESSOR to that end. Any arrangement for the subleasing of space must be in conformance with the use of the Premises outlined in this Agreement, unless expressly approved otherwise in writing by LESSOR.

(c) LESSEE must keep current records on file and available for LESSOR's inspection, that describes the nature and document the legitimacy of the sublessee's business, including all current municipal, state, or local licenses or permits required for the conduct of sublessee's business.

(d) LESSEE hereby agrees that it shall incorporate language acceptable to LESSOR into all of its sublease agreements, placing on any sublessee and that sublessee's affiliated entities, customers, employees, invitees, contractors, and subcontractors similar restrictions, as may be appropriate to its approved uses as those which bind LESSEE and its use of the facility through this Agreement. LESSEE shall also incorporate and make reference to this Agreement, as may be amended from time to time, to ensure sublessee's operations and conduct are subject to and are in compliance with the terms and conditions of this Agreement, as may be amended from time to time. Any sublease agreement shall explicitly state that it is subordinate to this Agreement, and that the sublessee shall never obtain rights in the Premises greater than those

held by LESSEE under this Agreement, as amended. Any sublessee shall be specifically subject to eviction from the Premises as a result of termination, cancellation, or expiration of this Agreement, irrespective of sublessee's state of compliance with the terms of its sublease.

(e) LESSEE shall at all times during the term(s) of approved sublease(s), remain responsible to LESSOR for the compliance of its sublessees with the terms and conditions of any approved sublease and with this Agreement. LESSOR may look to LESSEE directly to satisfy any failure of sublessee to comply with these documents.

(f) Consent to one sublease permit or subcontract shall not be deemed consent to any subsequent sublease permit or subcontract. Prior written consent of the LESSOR shall be required for each sublease permit or subcontract executed by the LESSEE.

It is understood and agreed that this Section does not apply to third party hangar space lease/rental arrangements for private use of aircraft storage, and office space related and incidental to the operation and administration thereof, as may be customary in the normal course of business as a commercial hangar operator.

29. LIABILITY INSURANCE

LESSEE shall procure, maintain and carry, at its sole cost, in accordance with and/or until completion of this Agreement all insurance, as required per the amounts as set forth below. Insurance shall be furnished by a company licensed to do business in Kansas.

Insurance certificates shall be issued on a standard ACORD form or such other documentation as may be acceptable to LESSOR in its discretion and include the NAIC number of the insuring company. Each insurance company's rating, as shown in the latest Best's Key Rating Guide, shall be no less than A-VII, unless otherwise approved by the LESSOR, or from a Workers' Compensation pool approved by the State of Kansas. Insurance certificates must be received and approved by the LESSOR prior to occupancy. LESSOR retains the right to require changes in the character, coverages and amounts of coverage commensurate with changes in the LESSEE'S use of the Premises.

The failure of LESSOR to reject the LESSEE'S proffered insurance shall not be deemed to constitute an acceptance by the LESSOR of deficient insurance coverage. If the LESSEE fails to procure or maintain any of the specified coverages the LESSOR has the right, but not the obligation, to secure the coverage and charge the cost to the LESSEE along with a 20% administrative fee.

The LESSEE shall be responsible for determining the types and limits of insurance coverage required by any approved SUBLESSEE. At a minimum, such SUBLESSEE shall carry Workers'

Compensation, general liability (minimum of \$1,000,000 per occurrence) and automobile liability (minimum of \$500,000 combined single limit). LESSEE shall require in any approved sublease that the Wichita Airport Authority and the City of Wichita shall be added as primary and non-contributory additional insureds on the SUBLESSEE'S general liability policy.

The requirements, procurement and carrying of the required insurance shall not limit any of the LESSEE's obligations or liability under this Agreement or as a matter of law.

Where "minimum limits" of insurance are specified in this Section, such minimum insurance limits are required and considered by LESSOR to be the lowest insured amounts acceptable under this Agreement. The LESSEE is not limited or restricted whatsoever in securing additional insurance coverage and higher insured limits than those specified herein if, at the LESSEES determination and discretion and commensurate with the type of activity and associated business and operational risk, additional coverage and higher limits are necessary and appropriate.

Insurance shall include the following terms, conditions and minimum limits:

a) WORKERS' COMPENSATION

LESSEE shall maintain Workers' Compensation insurance to cover the statutory requirements of the Workers' Compensation laws of the State of Kansas for its operations on the Premises, and when applicable, to Federal Laws and Voluntary Compensation and Employer's Liability (including occupational disease) coverage.

b) AUTOMOBILE LIABILITY

LESSEE shall maintain automobile insurance, which shall include all owned, non-owned and hired automobiles used on the Premises, and shall have minimum bodily injury and property damage limits as outlined herein.

Combined Single Limit	\$500,000 Each Accident
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c) GENERAL LIABILITY

LESSEE shall maintain General Liability Insurance on an occurrence form. Minimum limits, as outlined herein, shall be:

Annual Aggregate	\$2,000,000
Each Occurrence	\$1,000,000

The Wichita Airport Authority and the City of Wichita shall be added as primary and non-contributory additional insureds.

d) UMBRELLA/EXCESS LIABILITY COVERAGE

The LESSEE shall provide minimum Umbrella/Excess liability limits (excess of all coverages other than Workers' Compensation) of:

Each Occurrence Limit	\$1,000,000
Annual Aggregate Limit	\$1,000,000

The Wichita Airport Authority and the City of Wichita shall be added as primary and non-contributory additional insureds covered under this umbrella/excess liability coverage.

e) BUILDER'S RISK COVERAGE

In the event LESSEE performs any work, repairs or alterations in, on or about the premises, Builder's Risk/Installation insurance will be purchased and maintained, in a company with a Best rating of A-IX and licensed in the State of Kansas, basis using a completed value form for full replacement cost covering all work which LESSEE contracts for or performs on the premises. This insurance shall include: (1) LESSOR and City of Wichita, LESSEE's contractor, subcontractors and sub-subcontractors as additional insureds, and (2) mutual release and waiver of subrogation for all parties. This coverage shall be in effect from the date of the construction notice to proceed and/or the issuance of the building permit, whichever is earlier. Coverage will continue until all financial interests cease. The deductibles and coverage sublimits shall be in commercially reasonable amounts, and are subject to approval by LESSOR.

LESSEE agrees that in the event of future changes in the law or upon notice by the LESSOR, the minimum levels of insurance required by this Section may be increased within the bounds of commercial reasonableness.

Construction shall not commence until policies of insurance satisfactory to LESSOR are supplied by LESSEE. Failure to maintain satisfactory insurance policies in force shall constitute grounds for cancellation of this Agreement as set forth in Section 33, Cancellation by Lessor of this Agreement.

LESSEE agrees that in the event of future changes in the law or upon notice by the LESSOR, the minimum levels of insurance required by this Section may be increased within the bounds of commercial reasonableness.

LESSEE agrees, prior to the commencement of the Agreement, to provide LESSOR with copies of certificates, and if requested, of all policies evidencing that such insurance is in full force and effect, and stating the terms thereof. This Agreement shall not commence until policies of insurance satisfactory to LESSOR are supplied by LESSEE. LESSEE shall provide LESSOR updated certificates of insurance the earlier of annually, or upon renewal, which certificate shall demonstrate the coverage required in this Section for the ensuing 12 month period. Failure to maintain satisfactory insurance policies in force shall constitute grounds for cancellation of this Agreement as set forth in Section 33, Cancellation by Lessor.

LESSEE shall be solely responsible for obtaining insurance policies that provide coverage for losses of LESSEE-owned property. Authority shall not be required to provide such insurance coverage or be responsible for payment of LESSEE's cost for such insurance.

30. ALL RISK PROPERTY INSURANCE

LESSEE, at its expense, throughout the term of this Agreement, shall cause any structures, facilities, improvements and fixtures on the Premises to be insured against loss or damage by fire or other casualty equal to the full replacement value thereof and by an all risk coverage policy furnished by a company licensed to do business in Kansas. Such policy shall not exclude, or in the alternative, shall carry full coverage endorsements for damage from tornado, hail, flood, and sewer backup, and shall furnish LESSOR a certificate evidencing such insurance. The proceeds of any payments made under such insurance policy or policies shall be used to rehabilitate or reconstruct the insured facilities, subject to the provisions governing damage or destruction found at Section 50, Damage and Destruction. LESSEE agrees, prior to the commencement of the Agreement, to provide LESSOR with copies of all policies or certificates evidencing that such insurance are in full force and effect, and stating the terms thereof. This Agreement shall not commence until policies of insurance satisfactory to LESSOR are supplied by LESSEE. LESSEE shall provide LESSOR updated certificates of insurance the earlier of annually, or upon renewal, which certificate shall demonstrate the coverage required in this Section for the ensuing 12 month period. Failure to maintain satisfactory insurance policies in force shall constitute grounds for cancellation of this Agreement.

31. SUBROGATION OF INSURANCE

LESSOR hereby waives any and all rights of recovery against LESSEE for or arising out of damage or destruction of the building, or the demised Premises, or any other property of LESSOR, from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of such policies, whether or not such damage or destruction shall have been caused by the negligence of LESSEE, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver without diminution of LESSOR coverage.

LESSEE hereby waives any and all rights of recovery against LESSOR for or arising out of damage to or destruction of any property of LESSEE from causes then included under any of its property insurance policies, to the extent such damage or destruction is covered by the proceeds of said policies, whether or not such damage or destruction shall have been caused by the negligence of LESSOR, its agents, servants or employees or otherwise, but only to the extent that its insurance policies then in force permit such waiver.

32. LOSS OF PERSONAL PROPERTY

Any personal property of LESSEE or others placed in or upon the Premises shall be at the sole risk of the LESSEE, and LESSOR shall not be responsible or liable for any loss, damage and replacement thereto, regardless of the cause of such loss or damage, and the LESSEE waives all rights of subrogation against recovery from the LESSOR for such loss or damage unless such loss or damage is the result of the LESSOR's negligence.

33. CANCELLATION BY LESSOR

The LESSOR, in addition to any other rights to which it may be entitled by law or otherwise, may cancel this Agreement by giving LESSEE written notice in the event of default by LESSEE under this Agreement continuing for more than sixty (60) days after the LESSEE's receipt of written notice of such event of default and opportunity to cure from the LESSOR, upon or after the happening of any one of the following events:

- (a) LESSEE shall file a voluntary petition in bankruptcy or that proceedings in bankruptcy shall be instituted against it and LESSEE is thereafter adjudicated bankrupt pursuant to such proceedings;
- (b) A court shall take jurisdiction of LESSEE and its assets pursuant to proceedings brought under the provisions of any Federal reorganization act;
- (c) Receiver of LESSEE's assets shall be appointed;

- (d) LESSEE shall be divested of its estate herein by other operation of law;
- (e) LESSEE shall fail to meet its construction commencement or completion requirements set out in Section 18, Design and Construction.
- (f) LESSEE shall fail to perform, keep and observe any of the obligations, terms, warranties or conditions contained in this Agreement that on the part of LESSEE are to be performed, kept or observed.

If any such condition or default cannot reasonably be corrected within the 60-day period and LESSEE has demonstrated due diligence with respect to curing said default, then, at the LESSOR's sole discretion, such cure period may be extended for consecutive periods of 30 days, as long as diligent progress is made toward cure, with a reasonably foreseeable resolution date. Under such circumstances, default may be treated as cured until cured. Should diligent progress cease, or the reason for default become apparent as insoluble, then the term shall cease and expire at the end of the 30-day extension then in effect.

Acceptance of rental by LESSOR for any period or periods after a notice of default is issued by LESSOR of any of the obligations, terms, warranties and conditions herein contained to be performed, kept and observed by LESSEE shall not be deemed a waiver of any other right on the part of LESSOR to cancel this Agreement for failure by LESSEE so to perform, keep and observe any of the obligations, terms, warranties, or conditions hereof to be performed, kept and observed. No waiver of default by LESSOR of any of the obligations, terms, warranties or conditions hereof to be performed, kept and observed by LESSEE, shall be construed to be or act as a waiver of any subsequent default of any of the obligations, terms, warranties or conditions herein contained to be performed, kept and observed by LESSEE.

34. CANCELLATION BY LESSEE

The LESSEE, in addition to any other rights to which it may be entitled by law or otherwise, may cancel this Agreement by giving LESSOR written notice in the event of default by LESSOR under this Agreement continuing for more than sixty (60) days after the LESSOR's receipt of written notice of such event of default and opportunity to cure from the LESSEE, upon or after the happening of any one of the following events:

(a) Issuance by any court of competent jurisdiction of a permanent injunction in any way preventing or restraining the use of the Airport or any major part thereof for Airport purposes and the remaining in full force of such permanent injunction for a period of at least one hundred eighty (180) days.

(b) Inability of the LESSEE to use, for a period in excess of one hundred eighty (180) days, the Airport or any part of the facility because of any law, order, rule, regulation or other

action or non-action of the Federal Aviation Administration or any other governmental authority, or because of fire, earthquake, other casualties or acts of God or the public enemy.

(c) LESSOR shall fail to perform, keep and observe any of the obligations, terms, warranties or conditions contained in this Agreement that on the part of LESSOR are to be performed, kept or observed:

- i. LESSEE may give LESSOR written notice to correct such condition or cure such default, and if any such condition or default shall continue for sixty (60) days after receipt of such notice by LESSOR, LESSEE may terminate this Agreement and the term hereof shall cease and expire at the end of such sixty (60) days in the same manner and to the same effect as if it were the expiration of the Initial or Option Term, unless such condition or default cannot reasonably be corrected within the 60-day period and LESSOR has demonstrated due diligence with respect to curing said default, then such cure period may be extended for consecutive periods of 30 days, as long as diligent progress is made toward cure, with a reasonably foreseeable resolution date. Under such circumstances, default may be treated as cured until cured. Should diligent progress cease, or the reason for default become apparent as insoluble, then the term shall cease and expire at the end of the 30-day extension then in effect;

(d) Assumption by the United States Government or any other authorized agency thereof of the operation, control or use of the Airport and the facility herein described, or of any substantial part or parts thereof in such a manner as to substantially restrict the LESSEE for a period of one hundred eighty (180) days from operating on and within the facility.

(e) In the event of destruction of the facilities, improvements, or the demised Premises as more fully described in Section 50, Damage or Destruction.

35. MAINTENANCE AND REPAIR

LESSEE shall maintain and keep at its sole cost and expense, the Premises and the fixtures and appurtenances thereto in its original condition, subject to reasonable wear and tear, and keep the Premises free of trash, debris and obstructions. LESSEE, at its sole cost and expense, shall maintain and keep in good repair the entirety of the leased Premises and within all improvements placed thereon.

LESSEE's maintenance obligations include, but not limited to, the following:

- (a) Exterior of structures, and all exterior mechanical systems (heating, ventilation and air conditioning, and associated motors, boilers, chillers and ducting). "Exterior of structures" shall include but is not limited to the roofs, exterior façade and siding, exterior walls, gutters, downspouts, and load bearing structures of the buildings.

- (b) The interior of all structures on the Premises including, but not limited to leasehold improvements, glass, paint, ballast and light bulb replacement, doorways, doors, walls, floors, plumbing, electrical, interior mechanical systems (heating, ventilation and air conditioning, and associated motors, boilers, chillers, ducting and filters), decorations and finishes, plumbing fixtures, equipment and furnishings, telephone, communication and data cables, conduit and accessories, piping, motors, signs, and any other repairs as required or necessary to keep all structures on the Premises in proper condition for the conduct of business.
- (c) Grading and drainage systems and drains, paving, lighting, parking lots, fencing, streets and roadways within the Premises.
- (d) Repair or replacement of any damaged pavement and/or sub-grade on the Premises.
- (e) Repair or replacement of damaged pavement taxiway entrance connectors as outlined in Exhibit "A".
- (f) Connection of all utilities including, but not limited to, underground utility lines and connections within the leased Premises, connection and other fees.
- (g) From time to time and as often as reasonably required by LESSOR and in accordance with state and local fire codes, conduct appropriate tests of all fire monitoring, alarm and extinguishing equipment, systems and apparatus located on the Premises. Keep in proper functioning order all fire suppression and extinguishing systems and equipment located on the Premises as required by LESSOR, and in accordance with NFPA, and state and local fire codes.
- (h) All janitorial service, landscaping, landscape maintenance and mowing, and daily routine Premises clean-up work and trash removal to keep the Premises in good and tenantable condition throughout the term of this Agreement.
- (i) Removal and disposal of garbage, debris, contaminants and any other waste material (whether solid or liquid) arising out of its occupancy of the leased Premises or out of its operation. Such removal shall conform to all governmental requirements and regulations as more fully described herein. Such removal and disposal of garbage, debris, contaminants, or other waste material is understood to include routine clean-up of the Premises. LESSEE shall immediately react and take prompt corrective actions to remove and dispose of any paper, garbage and debris on Premises upon demand of LESSOR. LESSEE shall provide, and screen from public view, suitable covered receptacles for all garbage, trash and other refuse. Piling of boxes, cartons, barrels, pallets or other similar items in an unsightly or unsafe manner on or about the Premises is forbidden.
- (j) Repair or replacement of any damaged paved surfaces and/or sub-grade on the Airport that may be caused due to the LESSEE's negligence or intentional misuse, or consent to use of such facilities of others. Negligence use includes, including but not limited to, the use exceeds the weight bearing capacity limits of the pavements.

LESSOR shall be responsible for maintenance, repair and replacement of paved surfaces and storm drainage systems on the Airport not within or upon the Premises. At anytime during the term of this Agreement, LESSOR, its agents or employees, shall have the right to enter upon the Premises and within all improvements placed thereon, to conduct reasonable inspections, and to direct work done as needed to meet the above-described maintenance condition in a timely manner.

Should LESSEE not meet the established of all improvements, LESSOR may, but is not required to, accomplish the needed repairs by Airport staff or a contract with a third party, with such repairs being made at LESSEE's expense. A twelve percent (12%) administrative fee will be charged on any task that is performed by the LESSOR or its agent on behalf of LESSEE upon thirty (30) days prior written notice of its intent to do so. The fee will be applied to the total cost incurred by the LESSOR in performing the task. The fee represents the LESSOR's cost to manage the task including procurement services, approval processes, management staff time, supervision and overhead. In case of emergency action taken in order to protect against personal injury or property damage but not limited to, for which no notice is necessary, LESSOR shall charge the same cost to the expense of LESSEE and a twenty percent (20%) administrative fee.

36. SNOW AND ICE REMOVAL

LESSEE shall be responsible for all snow and ice removal on the Premises. Aircraft parking ramps and other Air Operations Areas within the Premises shall be maintained to a winter surface condition safe for aircraft operations, and safe for customers and employees moving and working on the ramp. At no time shall LESSEE engage in snow and ice removal beyond the Premises without the prior approval of the LESSOR.

Snow piles, windrows or other accumulations of snow shall not:

- (a) Be closer than twenty five feet from any security fence;
- (b) Block any access gates or controls;
- (c) Block or impede any taxiway or taxi lane;
- (d) Impose an obstruction within the object free area (OFA) of any taxiway or taxi lane;
- (e) Infringe upon, block or interrupt the business of other airport tenant leaseholds.

Snow piles and accumulations requiring removal may be stored on pre-approved/arranged paved or non-paved areas.

Only FAA approved dry and liquid chemicals may be used for de-icing or snow removal on aircraft operating surfaces, as set forth in Advisory Circular 150/5200-30, current edition, or as may be amended, *Airport Winter Operations and Safety*, Section 4-6 *Approved Chemicals*,

current edition, or as may be amended.

The use of snow and ice removal contractors may be authorized subject to prior written approval by LESSOR, and subject to acceptable completion of contractor employee training, and other reasonable safety requirements and standards that LESSOR may impose, including but not limited to compliance with Airport Rules and Regulations, and Standard Operating Procedures. All such snow and ice removal contractors shall maintain a general liability insurance policy of not less than \$2,000,000 limit, naming LESSEE, LESSOR and the City of Wichita as additional insureds.

LESSOR shall be responsible for snow and ice removal on paved surfaces of the Airport not within the Premises.

37. LANDSCAPING

LESSEE shall provide and install appropriate landside landscaping and screening, including lawn, shrubbery, trees, bushes, and other plantings and screening on the Premises as a part of the construction of the improvements. All proposed landscaping plans and screening designs shall be submitted to the LESSOR for review and approval, which approval shall not be unreasonably withheld or unduly delayed. Such landscaping shall be in accordance with the Airport's design guidelines in effect at that time, and shall not be installed in such a manner so as to create a wildlife food source, habitat and hazard to aircraft operations. LESSEE agrees to maintain and/or replace such landscaping installations at least seasonally throughout the term of this Agreement or any extension thereof should they fail to survive in a manner aesthetically pleasing to LESSOR, a judgment which is to be exercised with reasonable discretion.

38. EXTERIOR SIGNS AND ADVERTISING

LESSEE agrees that no signs or advertising material shall be erected on the Premises or on any improvement or facility on the Premises unless the design and layout of such signs and advertising material, together with the materials and method of construction of such signs and advertising material, shall have been approved in advance in writing by LESSOR, which approval shall not be unreasonably withheld or unduly delayed.

LESSEE shall not erect, install, operate, nor cause or permit to be erected, installed, or operated upon any non-leased Premises of the Airport property, any signs, banners, or other similar devices for its own business, or the business of others. This provision shall not have the effect of limiting or restricting LESSEE's right to enter into an agreement with LESSOR'S authorized and

permitted marketing, advertising or signage agency for the display of informational, marketing or advertising media at approved designated locations on Airport property.

LESSEE shall have not right to erect or install, or cause or consent to be erected or installed any commercial outdoor advertising by an outdoor commercial advertising agency.

39. PORTABLE STORAGE CONTAINERS/STRUCTURES

Unless specifically approved in writing, and under conditions specified by LESSOR, LESSEE shall not place or allow to be placed upon Premises, any type of portable storage container, trailer, unit, box, or barrel which is used to store merchandise and/or equipment and supplies outside of an enclosed permanent building or structure, which does not qualify as a building or structure under Title 18 of the Code of the City of Wichita. Unless specifically approved, and under conditions specified by LESSOR, LESSEE shall not place or allow to be placed upon Premises, any type of portable or temporary structure, trailer, mobile home, modular structure or device.

LESSOR will not unreasonably withhold approval of such container(s) and structure(s) if such is of a temporary nature for the purpose of supporting construction, alteration or improvement activity, or other approved project.

40. GRANTING OF EASEMENTS

LESSEE shall not (i) grant easements, licenses and other rights or privileges in the nature of easements with respect to the land, or (ii) release existing easements, licenses, right-of-ways and other rights or privileges, and LESSEE agrees, to the extent that it may legally do so, that it will execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by LESSEE of (a) a copy of the instrument of grant or release or of the agreement or other arrangement, and (b) a written application signed by the LESSOR requesting execution and delivery of such instrument, provided that, such grant or release is not detrimental to the proper conduct of the business of LESSEE, and such grant or release will not impair the effective use or interfere with the efficient and economical operation of the facilities. LESSEE shall not request any payment or other consideration for such execution, the same being amply supported by the promises exchanged in this Agreement. Any payments or other consideration received by LESSOR for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of LESSOR. The obligations of this Section shall survive termination of this Agreement.

41. RULES AND REGULATIONS

LESSEE, its agents and employees, shall be subject to any and all applicable rules, regulations, Airport Standard Operating Procedures, orders and restrictions which are now in force or which may hereafter be adopted by the Wichita Airport Authority or the City of Wichita, Kansas, in respect to the operation of the Airport; and shall also be subject to any and all applicable laws, statutes, rules, regulations or orders of any governmental authority, federal or state, lawfully exercising authority over the Wichita Mid-Continent Airport or LESSEE's operations conducted hereunder.

LESSOR shall not be liable to LESSEE for any diminution or deprivation of its rights hereunder on account of the exercise of any such authority as in this Section provided, nor shall LESSEE be entitled to terminate this Agreement by reason thereof unless exercise of such authority shall so interfere with LESSEE's exercise of the rights hereunder as to constitute a termination of this Agreement by operation of law in accordance with the laws of the State of Kansas, or as set out in Section 33, Cancellation By Lessee.

42. MINIMUM STANDARDS FOR AERONAUTICAL ACTIVITIES

LESSOR may, with due notice, from time-to-time, adopt and enforce reasonable Minimum Standards for Aeronautical Activities on the Airport, and amendments thereto, and the LESSEE agrees to observe and comply with the same. However, any minimum standards which may be developed and promulgated in the future and during the Initial Term of this Agreement shall not have the effect of imposing upon LESSEE the requirements of additional facilities, services or standards beyond that set forth in this Agreement.

43. AIRPORT SECURITY PROGRAM COMPLIANCE

LESSEE must obtain Airport Security Identification and Access Media (I.D. Media) for its employees, subcontractors, suppliers, agents, and representatives requiring access to the sterile areas, secured Air Operations Area (AOA), and Security Identification Display Area (SIDA), or other secured areas as may be identified in the Airport Security Program, and pay any related costs associated with this privileges as set forth under this Section. With respect to the issuance, maintenance, and administration of I.D. Media, the LESSEE shall pay or cause to be paid to the LESSOR all charges as may be established from time to time by the LESSOR. Such costs may include, but are not limited to: (i) the initial issuance of I.D. Media; (ii) the replacement of lost or stolen I.D. Media; (iii) administrative costs with respect to those I.D. Media not returned to the LESSOR.

Said I.D. Media will be valid as set forth under the Airport Security Program, and must be returned to the Airport Public Safety Division, at 2193 Air Cargo Road within twenty-four (24) hours after expiration, suspension, and/or termination of this Agreement. Said I.D. Media will be valid for no longer than the period of this Agreement. The LESSEE shall be responsible for requesting the issuance of I.D. Media to employees or other authorized representatives of the LESSEE who require access to secured areas on the Airport due to operational need and necessity. In addition, LESSEE shall be responsible for the immediate reporting of all lost or stolen I.D. Media and the immediate return of the I.D. Media of LESSEE's personnel transferred from the Airport, or separated from the employ of LESSEE.

LESSEE warrants that it will at all times maintain the integrity of the Airport Security Program and comply with all applicable regulations of the Federal Aviation Administration ("FAA") and Transportation Security Administration ("TSA"), 49 CFR Parts 1500, 1544, 1546, 1548, and 1550 as amended or promulgated, and that it will always maintain the security of the Airport, Premises, and/or any AOA access for which LESSEE is responsible. The LESSOR shall have the right to require the LESSEE to conduct background investigations and to furnish certain data on such employees or other persons before the issuance of I.D. Media, which data may include the fingerprinting of any and all of its employees, subcontractors, suppliers, agents, and/or representatives. LESSEE also hereby agrees that it shall be responsible for any and all of the actions on the Premises of its employees, subcontractors, suppliers, agents, customers, invitees, and/or representatives and shall provide any and all necessary escorts, as outlined in the Airport Security Program. LESSEE hereby agrees that it will immediately implement any and all security changes that are directed either directly or indirectly by the TSA, FAA, or LESSOR. LESSEE further agrees to correct any security deficiency or other deficiency as may be determined as such by the LESSOR, the Department of Transportation ("DOT"), the FAA, or the TSA, or any other federal or state agency with jurisdiction. In the event LESSEE fails to remedy any such deficiency, the LESSOR may do so at the sole cost and expense of LESSEE. The LESSOR reserves the right to take whatever action is necessary to correct and remedy any security deficiency or other deficiency. When the LESSOR takes actions to remedy deficiencies of any kind, it shall be done in a reasonable and cost-conscious manner.

Should LESSEE, its employees, subcontractors, suppliers, agents, customers, invitees, and/or representatives cause any security violations, and should LESSOR be cited for a civil fine or penalty for such security violation, LESSEE agrees to reimburse LESSOR for any monetary civil fine or penalty which may be imposed on LESSOR. However, nothing herein shall prevent the LESSEE from contesting the legality, validity or application of such fine or penalty to the full extent LESSEE may be lawfully entitled, nor require LESSOR to pursue such a contest on LESSEE'S behalf. LESSEE may have I.D. Media/access privileges immediately suspended and/or revoked by LESSOR for failure to adhere to the Airport Security Program, or for failure to

return all I.D. Media within the time-frames specified herein.

The LESSEE agrees that information concerning the location, type, nature, capabilities, application and use of the LESSOR's security system is considered Sensitive Security Information (SSI) as defined by TSR 1520, and shall restrict the distribution, disclosure and availability of SSI only to persons with a need to know. All requests for SSI by persons not directly employed by the LESSEE, and deemed to have a need to know shall be referred to LESSOR for consideration and determination of whether such information is legal and appropriate for dissemination.

Before the LESSEE shall permit any employee, subcontractor, supplier, agents, customer, invitee, and/or representative to operate a motor vehicle of any kind or type on the AOA of Mid-Continent Airport (unless such employee is escorted by a LESSOR-approved escort), the LESSEE shall ensure that all such vehicle operators have completed required AOA access and driver training, possess a current, valid, and appropriate Kansas driver's license, appropriate Airport issued I.D. Media, and a Vehicle Ramp Permit. LESSEE company vehicles prominently displaying a permanent company name and/or logo on vehicles and equipment are excluded from the requirement of displaying a Vehicle Ramp Permit.

The LESSEE agrees that its vehicles, cargo, goods, and other personal property are subject to being inspected and searched when entering, exiting and while on the AOA.

The LESSEE agrees that it shall be responsible for the installation, operation, maintenance, and monitoring of all vehicle and/or pedestrian access gates and doors and security access controls on the Premises with access from non-secured areas to the secured AOA. All such access gates and controls require the prior written approval of the LESSOR and shall be in compliance at all times with the Airport Security Program.

44. ENCROACHERS, TRESPASSERS AND OTHER THIRD PARTY HAZARDS

LESSEE shall lawfully remove, or cause to be removed by LESSOR or other official law enforcement agency, all encroachers, trespassers and other third parties violating laws of the federal, state or local government, or who are not on the Premises for legitimate purposes.

45. FIRE EQUIPMENT AND SYSTEMS

LESSEE shall furnish and maintain on the Premises sufficient smoke detectors, portable fire extinguishing equipment and sufficient fire suppression as may be required by city code and insurance underwriters.

46. ENVIRONMENTAL ASSESSMENT

A "Phase I" and "Phase-II" environmental site assessment shall be conducted, at LESSEE's sole expense, by an environmental consultant satisfactory to the LESSOR within ninety (90) days following the cancellation or termination of this Agreement, and a copy of these reports shall be promptly provided to the LESSOR. The environmental site assessment results shall be compared to the original background levels established at the commencement of this Agreement. If any contamination of the property has occurred through LESSEE's fault or negligence, or the fault or negligence of a LESSEE supplier, agent or contractor, then LESSEE shall be required to re-establish background levels to the pre-existing levels, in a timely manner and acceptable to LESSOR.

Nothing in this Section shall be construed to hold LESSEE liable in any way for any environmental impact or release of Hazardous Substances affecting the Premises that occurs by reason of the mitigation, release, discharge or flow from other verifiable and documented off-site contamination sources that are not attributable to the LESSEE's activity on the Premises. The burden of proof shall rest exclusively with the LESSEE to demonstrate that any such environmental impacts affecting the Premises are not attributable to the LESSEE's activity on the Premises.

47. ENVIRONMENTAL COVENANTS

(a) The LESSEE hereby covenants that it will not cause or permit any Hazardous Substances to be placed, held, located, or disposed of, on, under or at the Premises, other than in the ordinary course of business and in compliance with all applicable laws.

(b) In furtherance and not in limitation of any indemnity elsewhere provided in this Agreement to the LESSOR, the LESSEE hereby agrees to indemnify and hold harmless the LESSOR and the City of Wichita from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the LESSOR or the City of Wichita by any person or entity for or arising out of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission,

discharging or release from the Premises during any term of this lease of any Substance (hazardous or otherwise) regulated by any applicable statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning, any Hazardous Substance (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws), if such presence, escape, seepage, leakage, spillage, discharge, emission was caused by the LESSEE, or persons within the control of the LESSEE, its officers, employees, agents, contractors, invitees and/or licensees, or if such Substance (hazardous or otherwise) was owned by, or located on the Premises by, the LESSEE (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release).

(c) If, during the term of this Agreement, the LESSEE receives any notice of (i) the happening of any event involving the use (other than in the ordinary course of business and in compliance with all applicable laws), spill, release, leak, seepage, discharge or cleanup of any Substance (hazardous or otherwise) on the Premises or in connection with the LESSEE's operations thereon or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, or any other environmental, health, or safety matter affecting the LESSEE from any persons or entity (including, without limitation, the United States Environmental Protection Agency (the "EPA") or the Kansas Department of Health and Environment ("KDHE")), the LESSEE shall immediately notify the LESSOR in writing of said notice.

(d) The LESSOR shall have the right, but not the obligation, and without limitation of the LESSOR's other rights under this Agreement, to enter the Premises or to take such other actions as deemed necessary or advisable to inspect, clean up, remove, resolve or minimize the impact of, or to otherwise deal with, any Substance (hazardous or otherwise) or environmental complaint following receipt of any notice from any person, including, without limitation, the EPA or KDHE, asserting the existence of any Substance (hazardous or otherwise) or an environmental complaint pertaining to the Premises or any part thereof which, if true, could result in an order, suit or other action against the LESSEE and/or which, in the reasonable judgment of the LESSOR, could jeopardize its interests under this Agreement. If such conditions are caused by circumstances within the control of the LESSEE or if such circumstances result from a Substance (hazardous or otherwise) owned by, or located on the Premises by, the LESSEE (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release) all reasonable costs and expenses incurred by the LESSOR in the exercise of any such rights shall be payable by the LESSEE, within 15 days of written demand by Landlord.

(e) If an event of default shall have occurred and be continuing, the LESSEE at the request of the LESSOR shall periodically perform, at the LESSEE's expense, an environmental audit and, if reasonably deemed necessary by the LESSOR, an environmental risk assessment, of the Premises, or the hazardous waste management practices and/or hazardous waste disposal sites used by the LESSEE with respect to the Premises. Such audits and/or risk assessments shall be

conducted by an environmental consultant satisfactory to the LESSOR, and all environmental audits and environmental risk assessments must be reasonable satisfactory to the LESSOR. Should the LESSEE fail to perform any such environmental audit or risk assessment within 90 days of the written request of the LESSOR, the LESSOR shall have the right, but not the obligation, to retain an environmental consultant to perform any such environmental audit or risk assessment. All costs and expenses incurred by the LESSOR in the exercise of such rights shall be payable by the LESSEE on demand.

(f) Neither LESSEE nor LESSOR shall install or permit to be installed in the Premises friable asbestos, electrical equipment containing polychlorinated biphenyls (PCBs), or any Substance containing asbestos and deemed hazardous by federal or state regulations applicable to the Premises and respecting such material. The LESSEE shall defend, indemnify, and save the LESSOR and the City of Wichita harmless from all costs and expenses (including consequential damages) asserted or proven against the LESSEE by any person, as a result of the presence of said Substances, and the costs of any removal or compliance with such regulations, if said Substance was installed by the LESSEE, or persons within its control.

(g) Subject to any limitations or restrictions imposed by the Kansas Budget Law or Cash Basis Law, the LESSOR hereby agrees to indemnify and hold harmless the LESSEE from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the LESSEE by any person or entity for, arising out of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the Premises during the term of this Agreement and the period prior to the term of this Agreement of any Substance (hazardous or otherwise) (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any federal, state or local so-called "Superfund" or "Super lien" laws, or any other applicable statute, law, ordinance, code, rule, regulation, order of decree regulating, relating to or imposing liability, including strict liability, or standards of conduct concerning any Hazardous Substance) unless such presence, escape, seepage, leakage, spillage, discharge, emission or release was caused by the LESSEE, or persons within the control of the LESSEE, its officers, employees, agents, invitees and/or licensees, or if such Substance (hazardous or otherwise) was owned by, or placed upon the Premises by, the LESSEE (without regard to the actual cause of any escape, seepage, leakage, spillage, discharge, emission or release except to the extent such was caused by the LESSOR).

Environmental compliance shall not be limited to those items noted within this lease but shall include any current or future federal, state, or local law, statute or regulation, that may be required of LESSEE's operation (storage or use of Substances (hazardous or otherwise), activities of LESSEE's employees or contracted vendor's etc.). LESSEE shall provide LESSOR

upon request copies of any plan, training program, training records, material safety data sheet or any other documentation required by said laws.

(h) The provisions of this article shall survive the termination of this Agreement.

48. IMPOSITIONS

LESSEE shall, during the life of this Agreement, bear, pay and discharge, before the delinquency thereof, any and all impositions, including all lawful taxes and assessments imposed on the Premises, personal property thereon, or LESSEE's possessory right therein. In the event any impositions may be lawfully paid in installments, LESSEE shall be required to pay only such installments thereof as become due and payable during the life of this Agreement as and when the same become due and payable. LESSOR covenants that without LESSEE's written consent it will not, unless required by law, take any action intended to cause or induce the levying or assessment of any imposition (other than special assessments levied on account of special benefits or other impositions for benefits or services uniformly imposed) which LESSEE would be required to pay under this Section and that should any such levy or assessment be threatened or occur LESSOR shall, at LESSEE's request, fully cooperate with LESSEE in all reasonable ways to prevent any such levy or assessment. Nothing herein contained shall prevent LESSEE from contesting the legality, validity, or application of any such tax or assessment to the full extent LESSEE may be lawfully entitled to do so.

49. INDEMNITY

LESSEE, shall protect, defend and hold LESSOR and the City of Wichita and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court cost and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the use or occupancy of the Premises or the acts or omissions of LESSEE's officers, agents, employees, contractors, subcontractors, licensees or invitees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence of LESSOR. The LESSOR shall give to LESSEE reasonable notice of any such claims or actions.

LESSOR shall protect, defend and hold LESSEE, its officers, agents and employees completely harmless from and against all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury to or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court costs and expert fees), of any nature whatsoever arising out of or incident to this agreement

and/or the use or occupancy of the Premises or the acts of omissions of LESSOR's officers, agents, employees, contractors, subcontractors, licensees or invitees, regardless of where the injury, death or damage may occur, except to the extent such injury, death or damage is caused by the negligence of LESSEE. The LESSEE shall give LESSOR reasonable notice of any such claims or actions.

Should LESSEE, its employees, subcontractors, suppliers, agents, customers, and/or representatives cause any violations of federal, state or local law, regulation or ordinance, and should LESSOR be cited for a fine or penalty for such violation, LESSEE agrees to reimburse LESSOR for any monetary fine or penalty which may be imposed on LESSOR. However, nothing herein shall prevent the LESSEE from contesting the legality, validity or application of such fine or penalty to the full extent LESSEE may be lawfully entitled, nor require LESSOR to pursue such a contest on LESSEE's behalf.

The provisions of this Section shall survive the expiration or termination of this Agreement to the extent that they relate to liabilities, losses, suits, claims, judgments, fines or demands arising from or incident to events occurring during LESSEE'S occupancy of the Premises. The LESSEE shall use counsel reasonably acceptable to LESSOR in carrying out its obligations in this Section.

50. DAMAGE OR DESTRUCTION

In the event that facilities or improvements on the Premises are damaged or destroyed in whole or in part by fire, lightning or any other peril or other casualty during the term of this Agreement, this Agreement shall remain in full force and effect and LESSEE shall proceed with due diligence to repair, restore, rebuild or replace said damaged or destroyed property or parts thereof to as good a condition as all affected properties were in immediately prior to such damage or destruction, subject to such alterations as LESSEE may elect to make and are permitted in this Agreement. All proceeds from the insurance policies related to such damage or destruction shall be applied to cover the cost of such repairs or restoration.

In the event the improvements are damaged or destroyed in whole or in part by fire, lightning or any other peril or casualty not resulting in whole or in part from the actions of the LESSEE during the term of this Agreement, and such damage, destruction or loss exceeds fifty five percent (55%) of the value of the property as it existed prior to the casualty loss, LESSEE shall have the election, indicated by written notice given to LESSOR within 180 days after the occurrence of such event, not to repair, restore, rebuild or replace the improvements. Upon such election by LESSEE, this Agreement shall be terminated effective as of the date such notice is given by LESSEE, and neither party shall have any further rights or obligations pursuant to this Agreement other than LESSEE'S obligation to satisfy damages arising from any negligent or intentional action of itself, its employees, agents or invitees to the extent not covered by

insurance proceeds. All of the insurance proceeds shall be paid to LESSEE and LESSOR in pro-rata distributions as their interests may appear based upon the fair market value of each party's interest at the time the proceeds are received. Where allowed by the insurance policy, insurance proceeds shall first be applied to removal of damaged improvements from the Premises before such distribution.

51. CONDEMNATION

If, during the term, title to, or the temporary use of, all or any part of the Premises shall be condemned by any authority exercising the power of eminent domain, LESSEE shall, within fifteen (15) days after the date of entry of a final order in any eminent domain proceedings granting condemnation, notify LESSOR in writing as to the nature and extent of such condemnation and whether it is practicable for LESSEE to acquire or construct substitute improvements, or whether LESSEE shall elect to terminate this lease.

If LESSEE shall determine that such substitution is practicable and desirable and LESSOR shall agree thereto, LESSEE shall forthwith proceed with and complete with reasonable dispatch the acquisition or construction of such substitute improvements. In such case, any net proceeds received from any award or awards with respect to the Premises or any part thereof made in such condemnation or eminent domain proceeds shall be used and applied for the purpose of paying the cost of such substitution. Any proceeds not required for such costs shall be distributed to the parties in pro-rata distributions as their interests may appear based upon Agreement term remaining and the fair market value of each party's interest at the time the proceeds are received.

If LESSEE shall determine that it is not practicable and desirable to acquire or construct substitute improvements, any net proceeds shall be distributed to the parties in pro-rata distributions as their interests may appear based upon the Agreement term remaining, and the fair market value of each party's interest at the time the proceeds are received.

LESSOR shall cooperate fully with LESSEE in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Premises or any part thereof. In no event will LESSEE or LESSOR voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Premises without the mutual agreement and written consent of the other party to this Agreement.

52. MODIFICATIONS FOR GRANTING FAA FUNDS

In the event that the LESSOR determines the Federal Aviation Administration requirements call for modifications or changes to this Agreement as a condition precedent to granting of funds for the improvement of the Airport, these modifications or changes shall supersede this Agreement and LESSEE agrees to consent to such amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required by the LESSOR to fully comply with federal grant assurances and directives and to obtain Federal Aviation Administration grants-in-aid, provided that no such changes shall materially alter the rights or obligations of LESSEE hereunder.

53. NONDISCRIMINATION

The LESSEE agrees that it will not discriminate or permit discrimination against any person on the basis of race, color, sex, religion, disability, age (except where age is a bona fide occupational qualification), national origin or ancestry in its operations or services, and its use or occupancy of property under this Agreement. The LESSEE agrees to comply with all applicable provisions of federal and state laws, regulations, or executive orders prohibiting discriminatory conduct.

54. GENERAL PROVISIONS

Facility Development. LESSOR reserves the right to further develop or improve the landing area or any other area, building or other improvement within the present or future boundaries of Airport as it sees fit in its sole judgment regardless of the desires or view of LESSEE and without interference or hindrance by LESSEE. Further, LESSOR retains the absolute right to maintain, repair, develop and expand or replace the terminal building, utilities, ramps, taxiways, runways, streets, roadways, sidewalks, any other airport facility, airport improvement or airport property free from any and all liability to LESSEE for loss of business or damage of any nature whatsoever as may be occasioned during or because of the performance of such maintenance, repair, development, expansion or replacement.

Maintenance, Repair, Direction and Control. LESSOR reserves the right, but is not obligated to exercise the right, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of LESSEE in this regard. These areas will include, but are not limited to, those areas which are necessary to serve the aeronautical users of the Airport, except that LESSOR will not be obligated to maintain and keep in repair such areas of the Airport as may be leased to or under the control of Airport tenants, whether such area serves aeronautical users or otherwise.

Operation of Airport by the United States of America. This Agreement and all the provisions hereof will be subject to whatever right the United States of America now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.

14 CFR Part 77 of Federal Aviation Regulations. LESSEE agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building, structure, or attachment thereto is planned for the Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises. LESSEE by accepting this Agreement expressly agrees for itself, its successors and assigns, that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Premises which will exceed such maximum height as may be stipulated by LESSOR. It is understood and agreed that applicable laws, codes, regulations or agreements concerning height restrictions will govern the maximum height to be stipulated by LESSOR. In the event the aforesaid covenants are breached, LESSOR reserves the right to enter upon the Premises and to remove the offending structure or object, and cut down the offending tree, all of which will be at the expense of LESSEE and without liability to LESSOR.

Airspace. There is hereby reserved to LESSOR, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises. This public right of flight will include the right to cause or allow in said airspace, any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the Airport. No liability on the part of LESSOR will result from the exercise of this right.

Easement for Flight. LESSEE releases LESSOR from any present or future liability whatsoever and covenants not to sue LESSOR for damages or any other relief based directly or indirectly upon noise, light, vibrations, smoke, fumes, odors, air currents, electronic or other emissions occurring as a result of aviation or airport related operations at or otherwise associated with the Airport. This release and covenant includes but is not limited to claims for damages for physical or emotional injuries, discomfort, inconvenience, property damage, death, interference with use and enjoyment of property, nuisance, or inverse condemnation or for injunctive or other extraordinary or equitable relief. It is further agreed that LESSOR shall have no duty to avoid or mitigate such damages by, without limitation, setting aside or condemning buffer lands, rerouting air traffic, erecting sound or other barriers, establishing curfews, noise or other regulations, relocating airport facilities or operations or taking other measures, except to the extent, if any, that such actions are validly required by government authority. LESSOR reserves these rights

from the Premises an easement for flight of aircraft in or adjacent to the airspace above the Premises and for the existence and imposition over, on and upon said Premises of noise, light, vibrations, smoke, fumes, odors, air currents, electronic or other emissions, discomfort, inconvenience, interference with use and enjoyment, and any consequent reduction in market value which may occur directly or indirectly as a result of aviation, airport or airport-related operations at or otherwise associated with use of the Airport. LESSEE accepts the Premises subject to the risks and activities hereinabove described.

Airport Hazards. LESSEE by accepting this Agreement agrees for itself, its successors and assignees, that it will not make use of the leased Premises in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event this Agreement term is breached, LESSOR reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of LESSEE without liability to LESSOR of any kind.

Airport Rules and Regulations, Policies, and Standard Operating Procedures. LESSOR will have the right to adopt, amend and enforce reasonable airport rules and regulations, policies and standard operating procedures with respect to use of and the conduct and operation of the Airport, its buildings and facilities or any improvements within the present or future boundaries of the Airport, which LESSEE agrees to observe and obey.

Federal Aviation Administration Requirements. LESSOR and LESSEE agree that the requirements of the Federal Aviation Administration (FAA) set out below are approved by both parties, and if applicable, LESSEE agrees to comply with all FAA requirements with respect to its operations, use of the Airport and this Agreement:

(a) The LESSEE, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained or otherwise operated on said property described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the LESSEE shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(b) The LESSEE, for itself and its representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin

shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the LESSEE shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

(c) The LESSEE assures that it will undertake an affirmative action program if required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The LESSEE assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The LESSEE assures that it will require that its covered suborganizations provide assurances to the LESSEE that they similarly will undertake affirmative action programs, and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

(d) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

(e) LESSEE agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that LESSEE may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

(f) LESSOR reserves the right (but shall not be obligated to LESSEE) to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of LESSEE in this regard.

(g) LESSOR reserves the right further to develop or improve the landing area and all publicly-owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of LESSEE, and without interference or hindrance.

(h) LESSOR reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent LESSEE from erecting, or permitting to be erected, any building or other structure on the airport which, in the opinion of LESSOR, would limit the usefulness of the airport or constitute a hazard to aircraft.

(i) During time of war or national emergency LESSOR shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly-owned air navigation facilities and/or other areas or facilities of the airport. If any such agreement is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.

(j) It is understood and agreed that the rights granted by this agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

(k) There is hereby reserved to LESSOR, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the air space above the surface of the Premises herein conveyed, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from or operating on or about the airport.

(l) This Agreement shall become subordinate to provisions of any existing or future agreement between the LESSOR and the United States of America or any agency thereof relative to the operation, development or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.

Subordination to Agreements with the U.S. Government. This Agreement is subject and subordinate to the provisions of any agreements heretofore or hereafter made between LESSOR and the United States Government relative to the operation or maintenance of Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to LESSOR for Airport purposes, or the expenditure of federal funds for the improvement or development of Airport, including the expenditure of federal funds for the development of Airport in accordance with the provisions of the Federal Aviation Act of 1958, as it has been amended from time to time. LESSOR covenants that it has no existing agreements with the United States Government in conflict with the express provisions hereof.

Non-Waiver of Rights. No waiver or default by either party of any of the terms, warranties, covenants and conditions hereof to be performed, kept and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the terms, warranties, covenants or conditions herein contained, to be performed, kept and observed by the other party.

Notices. Notices required herein may be given by registered, certified, or express mail, and shall be deemed served on the date such notice is deposited in the United States Mail, or by prepaid private courier in the continental United States. Either party shall have the right, by giving written notice to the other, to change the address at which its notices are to be received.

Until any such change is made, notices to LESSOR shall be delivered as follows:

Wichita Airport Authority
Wichita Mid-Continent Airport
2173 Air Cargo Road
Wichita, Kansas 67209

Until any such change is made, notices to LESSEE shall be delivered as follows:

LeaseCorp Aviation, LLC
1404 S. Airport Road
Wichita, Kansas 67209

and bills and statements to LESSEE shall be sufficient if sent via email to:

Raykoenig@leasecorp.net

Captions. The captions/headings of the Sections of this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provisions of this Agreement, and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

Severability and Invalid Provisions. In the event any term, covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such term, covenant, condition or provision shall in no way affect any other term, covenant, condition or provision herein contained; provided, however, that the invalidity of any such term, covenant, condition or provision does not materially prejudice either the LESSOR or the LESSEE in their respective rights and obligations contained in the valid terms, covenants, conditions or provisions in this agreement.

Waiver of Claims. LESSEE hereby waives any claim against LESSOR and its officers or employees for loss of anticipated profits, consequential or incidental damages, or claim for attorney fees caused by or resulting any suit or proceedings directly or indirectly attacking the validity of Agreement or any part thereof, or the manner in which it is executed or performed, or by any judgment or award in any legal proceeding declaring this Agreement null, void or voidable, or delaying the same of any part thereof, from being carried out. This waiver extends to all claims, whether the supporting legal theory lies in common law or has a statutory basis.

Incorporation of Exhibits. All exhibits referred to in this Agreement are intended to be and are hereby specifically made a part of this Agreement.

Incorporation of Required Provisions. The parties incorporate in this Agreement by this reference all provisions lawfully required to be contained herein by any governmental body or agency.

Non-Liability of Agents and Employees. No member, officer, agent or employee of either party to this Agreement shall be charged personally, or held contractually liable by or to the other party under the terms or provisions of this Agreement, or because of any breach thereof or because of its or their execution or attempted execution.

Successors and Assigns Bound. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto where permitted by this Agreement.

Time of Essence. Time is of the essence in this Agreement.

Relationship of the Parties. It is understood LESSEE is not in any way or for any purpose a partner or joint venturer with or an agent of LESSOR. LESSEE shall act as an independent contractor in the performance of its duties pursuant to this Agreement.

Interpretation. LESSOR and LESSEE hereby agree that this Agreement shall not be construed or interpreted in favor of either party on the basis of preparation.

Kansas Laws to Govern. This Agreement and the terms and conditions herein contained shall at all times be governed, interpreted and construed under and in accordance with the laws of the State of Kansas, and venue for resolution of any issue pertaining to this Agreement shall be in Sedgwick County, Kansas.

55. THIRD PARTY RIGHTS

It is agreed between the parties that it is not intended by any of the provisions of this Agreement to create for the public or any member thereof the status of a third-party beneficiary, or to authorize anyone not a party to this Agreement to maintain a suit for damages pursuant to the terms or provisions of this Agreement.

56. QUIET ENJOYMENT

LESSOR agrees that, on payment of the rentals and fees and performance of the terms, covenants, conditions and agreements on the part of LESSEE to be performed in this Agreement, LESSEE will have the right to peaceably occupy and enjoy the Premises, subject however, to the General Provisions contained in Section 54.

57. HOLD OVER

In the event LESSEE holds over the lease of the Premises, any rights granted after expiration of this Agreement without any written renewal of it shall not be deemed to operate as a renewal or extension of this Agreement, but shall only create a month-to-month arrangement, which may be terminated within thirty (30) days notice by LESSOR or LESSEE.

58. SURRENDER OF POSSESSION AND RESTORATION

LESSEE shall yield and deliver to LESSOR possession of the Premises at the expiration or termination of this Agreement in good condition in accordance with LESSEE's obligations in this Agreement, except for reasonable wear and tear, or fire or other casualty for which full insurance compensation has been paid as agreed. LESSEE shall, at its expense, deliver the Premises in good order and condition, including: (1) cleaning and hauling away all supplies and trash; (2) removing by legal means all materials and Substances classified as hazardous; (3) leaving in operating condition all bulbs and ballasts; (4) replacing all broken glass, (5) remove all computer network cable, and (6) return to LESSOR all keys to all doors and gates.

LESSEE, at LESSEE's expense, shall remove during the Term of the Agreement or at its expiration all non-attached equipment and personal property placed by LESSEE on or about the Premises herein leased, subject to LESSEE's repairing any damage thereto caused by such removal and subject to any valid lien which LESSOR may have on that property for unpaid rents, expenses or fees.

In the event LESSEE does not remove all of its equipment and personal property within thirty (30) calendar days after the termination of this Agreement, any remaining property shall be considered abandoned and LESSOR may dispose of said property without any further responsibility or liability to LESSEE. The net disposal costs of such property shall be the financial obligation of LESSEE.

59. INTENTION OF PARTIES

This Agreement is intended solely for the benefit of LESSOR and LESSEE and is not intended to benefit, either directly or indirectly, any third party or member(s) of the public at large. Any work done or inspection of the Premises performed by LESSOR is solely for the benefit of LESSOR and LESSEE.

Nothing contained herein shall be deemed or construed by the parties hereto, or by any third

party, as creating the relationship of principal and agent, partners, joint ventures, or any other similar such relationship, between the parties hereto. Further, non-parties to this Agreement may not maintain a suit for personal injuries or property damage pursuant to the terms or provisions of the Agreement. The parties shall understand and agree that neither the method of payment, nor any other provision contained herein, nor any act(s) of the parties hereto creates a relationship other than the relationship of the LESSOR and the LESSEE.

60. ENTIRE AGREEMENT

The parties understand and agree that this instrument contains the entire Agreement between them. The parties hereto further understand and agree that the other party and its agents have made no representations or promises with respect to the Agreement or the making or entry into this Agreement, except as expressed in this Agreement, and that no claim or liability or cause for termination shall be asserted by either party against the other and such party shall not be liable by reason of, the making of any representations or promises not expressly stated in this Agreement, any other written or oral agreement with the other being expressly waived.

The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for which they are acting herein.

The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto, and have sought and received whatever competent advice and counsel deemed necessary for them to form a full and complete understanding of all rights and obligations herein.

61. AMENDMENT

This Agreement constitutes the entire Agreement between the parties for the lease of Premises set forth and identified under Section 1. No amendment, modification, or alteration of the terms of this Agreement shall be binding unless the same is in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

62. APPROVAL, CONSENT, DIRECTION OR DESIGNATION BY LESSOR

Wherever under this Agreement, approvals, consents, directions, or designations are required or permitted, such approvals, consents, directions, or designations required or permitted under this Agreement shall be performed by the Director of Airports, or his/her authorized representative. Approvals, consents, directions, or designations made at any time by the Director of Airports, and from time to time, may be withdrawn or modified by notice from LESSOR to LESSEE.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

ATTEST:

THE WICHITA AIRPORT AUTHORITY
WICHITA, KANSAS

By _____
Karen Sublett, City Clerk

By _____
Carl Brewer, President
"LESSOR"

By _____
Victor D. White, Director of Airports

LEASECORP AVIATION, LLC

By _____
Title _____

By _____
LeaseCorp Financial, Inc., Sole Member
Raymond L. Koenig, President
"LESSEE"

APPROVED AS TO FORM: _____ Date: _____
Director of Law